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NEWS SUMMARY

Bonn firm as deadlines pass

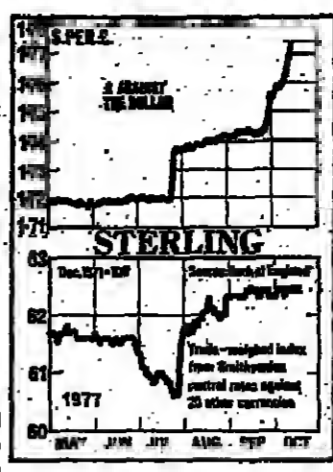
Pope Paul last night offered to take the place of 86 hostages aboard the hijacked Lufthansa Boeing 737 at Mogadishu airport, Somalia, after the four hijackers had shot dead the pilot and extended their deadline for meeting their demands to 00.30 GMT to-day.

Concorde to land at New York airport to-morrow

BY STEWART FLEMING IN NEW YORK AND MICHAEL DONNE IN LONDON

Concorde will land for the first time at New York's Kennedy Airport to-morrow, following yesterday's decision by the U.S. Supreme Court authorising flights to Kennedy by the supersonic jet.

The Supreme Court's decision effectively ended a 18-month legal battle between the authority and the airlines, who throughout have been strongly supported by the U.K. and French Governments.



Dollar falls: gold up to \$160

BY MICHAEL BLANDEN

THE DOLLAR fell sharply again in early exchange market dealings yesterday, while the price of gold rose to its highest level for more than two years as a result of the continuing currency uncertainties.

Varley warns stewards in Leyland vote

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

NO AMOUNT of public money will save Leyland unless it sorts out its troubled industrial relations problems, Mr. Eric Varley, the Industry Secretary, warned last night.

Schmidt in Equities and talks with Callaghan

An informal meeting is to take place between Mr. James Callaghan and Herr Helmut Schmidt in Bonn to-day.

Nestlé and Bayer in U.S. pharmaceutical bids

BY NICHOLAS COLCHESTER

TWO EUROPEAN multi-national companies are bidding for a stake in the U.S. pharmaceutical industry at an aggregate cost of \$550m.

New peaks

Other leading currencies reached new peaks against the U.S. dollar, with the Japanese yen moving firmly through the ¥253 to the dollar level to close in London at ¥252.5.

Backing for Ford deal

BY PAULINE CLARKE, LABOUR STAFF

MORE THAN 200 Ford workers, representing about 4 per cent of the total hourly-paid work force, voted overwhelmingly at a series of mass meetings yesterday to accept the company's latest 12 per cent pay offer.

Meeting postponed

Talks between Mr. Joshua Komo and Mr. Robert Mugabe, the leaders of the two Rhodesian nationalist guerrilla movements, suspending their armistice and forming a joint political party, are to take place today, have been postponed.

Dissent 'guilty'

The chief defendant in the trial of Czechoslovak dissidents has pleaded guilty to subversion, according to reports from Prague.

Indo-Indian talks

India's External Affairs Minister requested talks with Peking, re-establishing normal relations, which have not been fully restored since the border war in 1962.

Film man dies

Michael Balcon (81), producer of the Ealing film comedies, died at his home in Sussex on Monday night. He made his first film in 1929.

White South African woman

Every worker in Birmingham are expected to agree to a 10 per cent pay rise next week.

Chief price changes yesterday

Table with 2 columns: Item and Price Change. Includes categories like RISES, FALLS, and FT SURVEYS.

Spending recovers but lasting improvement still uncertain

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

SPENDING IN shops has recovered in recent months from the very low levels of the late spring and early summer. But the volume of sales is still fluctuating from month to month.

Table titled 'RETAIL SALES VOLUME' showing data for 1976 and 1977 across various months.

The view of most economists is that retail sales will continue to recover steadily in the current quarter and increase sharply in the first half of next year.

Table titled 'FEATURES' and 'ON OTHER PAGES' listing various news items and their corresponding page numbers.



The best place to hold your next business conference is just 300ft from London.

You can now hold your next business conference in the Roof! Way up in the clouds, 300ft. above Park Lane. Where you'll find a relaxed atmosphere. Peace and quiet. And air that's clear and fresh.

Handwritten signature or logo at the bottom of the page.

LOMBARD The dollar and its supporters' club

BY ANTHONY HARRIS

MOST OF the argument about the management of the sterling exchange rate is fought out in purely national terms...

Over-valued

The worldwide turmoil is not about the pound, but about the dollar. The dollar is over-valued...

Money supply

Monetarists, of course, argue that the adjustments which will follow a policy of supporting the dollar will be even more disruptive...

WINE The questionable vintage of '77 Bordeaux

BY EDMUND PENNING-ROWSELL

VISITING the Bordeaux region at vintage time is always a stimulating if staminate experience...

YACHTING BY ALEC BEILBY

HEATH'S CONDOR, biggest yacht in the Whitbread Round-the-World race...

'Lost' sleep turns up

HEATH'S CONDOR, biggest yacht in the Whitbread Round-the-World race, was found lost or damaged at sea...

RACING Brittain at Sandown

BY DOMINIC WIGAN

CLIVE BRITAIN, who was busy strengthening his Newmarket string at last week's Houghton yearling sales...

SALEROOM BY PAMELA JUDGE

Bantams set Meissen record

A PAIR of Kakiemon Bantam cocks produced a new world record for Meissen porcelain...

TV Radio

- South-East only 6.20 Nationwide 6.45 The Osmonds (London and South-East only) 7.15 The Wonderful World of Disney...

F.T. CROSSWORD PUZZLE No. 3495

Crossword puzzle grid with clues listed on the right and bottom.

LONDON

9.30 a.m. Schools Programme. 11.55 Felix the Cat. 12.00 Lise...

APPOINTMENTS

A. G. Robinson to be Medway Ports Authority chairman

Mr. A. G. Robinson is to return to Italy to take up another appointment at the head office, international division in Rome...

ACROSS

- 1 Ten arias well arranged (3) 2 Suitsors for the birds about one (8) 3 Carriages causing disturbances after tea (8) 4 Neat kind of fisherman (6) 5 Finished with the act, upset (3) 6 Worker before the border in Ireland (6) 7 Make a bid indicative of plain speaking (4, 1, 5) 8 They detest a sleazebag (10) 9 Suit for one in a London suburb (6) 10 The opera to fix previously (2, 2) 11 Conservative among the fashionable crowd is a poor creature (6) 12 To the hospital room-it is regrettable (3) 13 Smoke for the asthmatic (6) 14 Glad rags for the prodigal son (4, 4) 15 Facial adornment for a sovereign (3) 16 "Dis the plague to beguile many" (Othello) (3) 17 Loyalty for instance included in marriage (10) 18 Receive a phone-call-it is an engaging tone? (3, 1, 4) 19 They think only of Number One (5) 20 One whom man has "put asunder" (5) 21 Why get in a stew? The paper is published (6) 22 A girl to take care of in the South of France (6) 23 Irritation, if you get the point (6)

DOWN

- 1 A recluse that gives stability (6) 2 Winds of commerce (6) 3 Advice in this way for religion (6) 4 Consequences following one of the three R's (10) 5 "Stranger by" (wiser men become" (Walter) (6)

Financial Times Tuesday October 18 1977
Dublin carries on by B. A. YOUNG

The Dublin theatre festival gives a cheer this year for that characteristically Irish backing so bravely continued by a wabbling reduction of... Festival promoters who claim of poor substantions... which Brendan Smith... of the Irish Arts Council, £11,500; of the City of Dublin, £7,000; RTE, £5,000; and from sources, £7,000. No mean amount.

alcoholic; he then took the pledge and turned to a life of austerity and devotion, and is now a candidate for canonisation. One thinks of Voltaire on Joan La Pucelle. Et le plus grand de ses rares travaux... Pnt de garder un an son puceage... Matt not only kept off the drink he decked his body with heavy chains to restrain sinful acts and he sits the knees of his trousers to add extra penance to his long hours in prayer. His tomb is now a Dublin showplace...

L'Orangerie
Louis XIV and the Arts
by DENYS SUTTON, Editor of Apollo

One of the pleasures of being in Paris is to visit the exhibitions at the Orangerie which are almost invariably selected with discrimination and presented with elegance. The size of the building prevents the sort of mammoth affair which is usually on at the Grand Palais, where the exhibition is generally the aim...



(which belonged to Jahsch) and a charming drawing of the Maréchal d'Ancre by Dumouster which was presented to Louis XIV by the comte de Béthune. Another French collector Gaignières owned the magnificent portrait of Pierre Quessal by Nicolas Ponceau... The King took good care to take possession of the studio works of Charles Le Brun, an artist who had done so much work for the Crown and whose stature is only now being generally realised. He was an all round master whose versatility was complemented by his virtuosity...

Victoria de los Angeles
by ELIZABETH FORBES

recital given at Covent on Sunday by Victoria de los Angeles was a pattern of similar occasions in years: a group of Italian 16th-century songs was followed by a selection of popular songs after the interval... French melodies paved the familiar, well loved songs that the audience patiently awaited. For cores another Spanish duet but 'I will leave that end... Her back straightened and her chin came up; here eyes flashed; the voice acquired a slight edge but also filled with ringing tones; her diction became crisp, the marvellous sense of 'Impromptu' bubbled over. Songs by Montsalvatge, Vives, Turina and Rodrigo gained in quality from the artistry with which she sang them. The playing of Graham Johnson, the featherly light in Schubert, sensuously fluent in Schumann's 'Der Nussbaum' was evoked with tenderly, while a gleam of his high spirits irradiated 'Vergebliche Stand' comfortable stylistically.

Kurt Sanderling
by MAX LOPPERT

From East Berlin Kurt Sanderling had brought with him a Serenade by the leading composer Siegfried Matthus in 1960 for Sunday's London Philharmonic concert. We know very little of Matthus' music here (although a violin concerto was given on South Bank some while ago); if this unassuming, deftly made short piece is characteristic, we should perhaps insist on knowing more... It is hard on a single, scoreless hearing to discover quite what it is that makes it attractive. Certainly no remarkable element of originality can be evidenced in its orchestral effects for all the semitonal string fannings-out nor is the post-Bartokian 'arch' shape a novelty. Perhaps it was that after those dread words 'cheerful and lightweight' had been read in the composer's own description of his work, the notable absence of East European Optimism in its character, and the presence there of cool, workmanlike manipulation of materials, formed a strong part of its appeal... The conductor, who confers distinction and authority on everything he touches, drew from the orchestra strong-toned playing in the Mozart E flat Piano Concerto, K.492. With a large string section (ten first violins down), and a feeling of monumentality and ruggedness to the ensemble, this was a powerful performance in a Beethoven mould: a work that can simply bear it in Anna Fischer's playing, there is always fire; but in the first movement it was flickering uncertainty, damped a little by nervous, smudged articulation. In the Andante, taken several decades more slowly than the word normally implies, pianist, conductor, and orchestra joined together in an emotional, keyed-up, affectingly romantic statement of the music. The sudden turbulence, and later the sudden gale, of Miss Fischer's Mozart is thrilling for the chances that it takes, and for the rewards it reaps... Thrilling, too, the account of Beethoven's Fifth Symphony after the interval. From the start, it might almost have been a lesson in the use of up-beats and fermatas to screw up structural tension—except that there was nothing in the least didactic in Mr. Sanderling's intention, and an exhilarating vigour coursing through his achievement of it, which bore fruit to orchestral playing of that particular kind of 'warmth' both crazy and golden, that we recognise as authentically Beethovenian.

Indulge yourself in
ter dinner conversation.

After an excellent lunch or dinner party nothing is enjoyable than good conversation. So, when you're speaking, remember the words that all the difference. 'Delamain Cognac, please.' 'The pale, dry cognac with the unique smoothily fed flavour.' Such conversation, supported by a subtle reference to vana's finest cigar, is sure to be appreciated by your eloquent guests. Even to the extent of having to repeat yourself.



Entertainment Guide—Cont.

THEATRES
THEATRE, CC. 427-8572.
MURPHY, 411-1000.
ROYAL OPERA HOUSE OF THE MODERN AGE, 411-1000.
THEATRE, CC. 427-8572.
CINEMAS
BRICK CHARLES, 427-8572.
THEATRE, CC. 427-8572.
ART GALLERIES
GILBERT CASE GALLERY, 427-8572.
THE PARKER GALLERY, 427-8572.
CLOUBS
THE 100, 427-8572.

Elizabeth Hall
Nash Ensemble by DAVID MURRAY



The Nash Ensemble's programmes are as sensitively planned as they are played, which is saying a good deal, and Sunday night's concert was a case in point. If the Nash players have a fault, it is that they defer to each other too scrupulously; a little candid self-assertion would brighten their refined ensemble... The point of self-effacement. This work is not a solo-with-accompaniment in both Quater, and there were so many virtues in the playing that one sorely missed a definitive edge... A recent work by Anthony Payne for soprano and eight instruments. The 'World's Winter' found Jane Manning at her impressive best. It juxtaposes year-and-day poems by Tennyson, 'Nothing Will Die' and 'All Things Must Die,' in analogous and contrasting music: pastoral gurgles and whispers in the first, icy blocks and lines in the second. The work is transparent and well-made, and the broadly proportioned vocal line speaks strongly—even Miss Manning can't make bricks without straw, I suppose, and she presented it with utter musical conviction. The music will surely repay acquaintance. Lionel Friend conducted the assured ensemble... As for Ravel's Chansons of Debussy, exotic, elegant and languid passages accompanied by very independent piano, flute and cello. I do not hope to hear them better sung than by Miss Manning. More precisely, I should love to hear pieces.

The Entertainment Guide is on Page 40

Algarbi's Jupiter Youdroyent les Trones, which was placed by Louis XIV in a niche in the Salon Oval at Versailles: it had a pendant Junon. This exhibition is always done exceedingly well in France, and the two main organisers, Rosaline Bacou and Jean Adhemar, deserve warm congratulations. The catalogue is a sparkling volume containing excellent essays and entries with much information of an unfamiliar character... Shows of this type are able to suggest new interpretations of a period and to inspire further research. The notes on the match remain to be written, but the first movement it was flickering uncertainty, damped a little by nervous, smudged articulation. In the Andante, taken several decades more slowly than the word normally implies, pianist, conductor, and orchestra joined together in an emotional, keyed-up, affectingly romantic statement of the music. The sudden turbulence, and later the sudden gale, of Miss Fischer's Mozart is thrilling for the chances that it takes, and for the rewards it reaps... Thrilling, too, the account of Beethoven's Fifth Symphony after the interval. From the start, it might almost have been a lesson in the use of up-beats and fermatas to screw up structural tension—except that there was nothing in the least didactic in Mr. Sanderling's intention, and an exhilarating vigour coursing through his achievement of it, which bore fruit to orchestral playing of that particular kind of 'warmth' both crazy and golden, that we recognise as authentically Beethovenian.

Gaumont, Southampton
Falstaff by ELIZABETH FORBES

Glyndebourne Touring Opera offers not only a pre-audition of young up and coming artists in singles that they may well be in the future in major theatres all over Europe and America, but also a different view—pleasing or not, as the case may be—of productions already viewed at the parent Festival in Sussex. Jean-Pierre Fondeille's production of Falstaff, reproduced for the tour, Julian Hope and now in his second season, is perhaps atypical in that the alterations are nearly all on the credit side of the ledger... To take the few debt entries first: because of the exigencies of touring, Mr. Fondeille's lovingly reconstructed and three-dimensional Windsor background to his permanent data-set is replaced by a backcloth, while scene changes within the acts take slightly longer than at Glyndebourne itself. The simplification of the staging, or the other hand, is to many people, myself included, a major virtue in itself. The comparative youth of the singers, granted their vocal and dramatic competence, underlines the fact that this opera, written by an elderly man at the end of an illustrious career, is a celebration of youth, of those young in years, like Nannetta and Fenton, or young in spirit, like Falstaff himself... The outward and visible manifestation of this triumph, the wholly original contribution of Fondeille and Hope to a new first-rate Shakespeare play, is incarnated by two young baritones of quite exceptional talent and even greater promise, Jonathan Summers and John Barnaby, who respectively sing Falstaff and Ford. Wisely, neither young man pretends to any great age or decrepitude; both are at most in their vigourous middle years. But Mr. Quickly is a distinct relief after the over-acting of many Italian contraltos in the part, while the basic sense of insecurity of a man well past his prime, while Richard Berkeley Steele's Fenton speak with the authentic Falstaff's ducking in the river, though quite unconvictional, have a bleak acceptance of the verities of old age that is extremely moving... Verdi's opera, as the music constantly reminds one, is a comedy, and Falstaff's ludicrous pretensions as an irresistible lover, or Ford's pompous attempts to play the role of heavy husband, do not go unpunished. The Merry Wives, strongly represented by Catherine McCormack, a serenely good tempered Alice Ford who rules her household with the lightest of iron hands in the softest of velvet gloves, and by Joyce MacCrindle, an equally charming and warm-hearted Mrs Page, detail or of individual contributions to the whole.

emphasised for a large part of Annibale Carracci which would show consists of drawings have pleased Gaspard Duguet from the collection of Everard and has a touch of Prud'homme which the King bought in 1671. The Dürers are superb and include the magical Val d'Aro and a haunting sheet of studies of the heads of children. Most of these drawings are of the highest quality and their aesthetic appeal is heightened by their presentation in fine frames. Maurice Serullaz and Roselise Bacou have long believed in showing the treasures in their care to best advantage. The importance of this collection is considerable; the visitor may marvel at the light that drawings show on the nature of artists: Savoldo's head of an old man with its humanity and warm painterly technique and a majestic Montaigne caught my eye. Many drawings are of great beauty, such as the unusual landscape by

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# EUROPEAN NEWS

## THE SOVIET BLOC AND EUROCOMMUNISM

### Kadar: the honest broker

BY PAUL LENDVAI IN VIENNA

THE RECENT, apparently successful visits of Sig. Enrico Berlinguer the Secretary General of the Italian Communist Party (PCI) to Budapest and Belgrade have revived speculation about Hungarian efforts to mediate between Moscow and the major Western Communist parties.

The Yugoslav Press was the first to point out last July that Mr. János Kadar, the Hungarian Communist leader, was trying to exert a moderating influence in the quarrel which erupted after Novos Vremya, the Soviet weekly, had publicly attacked Mr. Santiago Carrillo, the Secretary General of the Spanish Communist Party.

It was later claimed by Mr. Kadar, on a lightning visit to the Crimea in August, had managed to convince Mr. Brezhnev that an all-out attack, such as the virulent article in the Soviet weekly, was tactically wrong and counter-productive.

The fact that on the evening of Mr. Kadar's visit Pravda reprinted lengthy excerpts from an article published earlier in the Magyar Nemzet daily, was widely regarded as a sign in the wind. Written by Mr. János Berecs, the head of the international department of the Hungarian Central Committee, the article dealt with differences among Communist parties which, he said, need not cause a split.

The author only once mentioned Mr. Carrillo by name, adding that he had made "unfounded attacks on the historical achievements of the Socialist countries."

In June of this year, Mr. Kadar, on a visit to Rome, gave unqualified support to the political line of the Italian Communist Party, following the outbreak of public polemics between Moscow and the Spanish leadership. Mr. Kadar shifted to a more cautious position and warned against "bourgeois" and "imperialist" efforts to split the international movement.

Nevertheless, the Hungarians have maintained a measured tone, trying both publicly and privately to prevent an open rupture. A leading Hungarian editor, when asked recently about the by now famous Novos Vremya article, replied with a wry smile: "Which Novos Vremya piece do you mean? There have been so far at least three articles on the subject."

The Soviet weekly did, in fact, retreat from its initial unbending position.

The more moderate Soviet tactics are regarded as partly a response to the biting comments of the Eurocommunists, but also as a result of the arguments put forward by Mr. Kadar, and later also by Mr. Gierak, the Polish leader.

The issue of the relationship between the Soviet bloc and the major West European Communist parties was one of the main subjects of the agenda of the talks Mr. Kadar conducted with Marshal Tito during his three-day "friendship visit" to Yugoslavia at the end of last month. Both the communiques on the visit and the Yugoslav and Hungarian press commentaries stressed "voluntary co-operation" and internationalist solidarity — sovereign and independent decision-making by each Communist party in accord with national conditions and its responsibility towards its own working class and people.

Ten days later, the communistique issued in Budapest after Sig. Berlinguer's four-day visit, restated the "full respect for the complete independence of each party." Mr. Kadar agreed both with President Tito and the Italian party leader about the necessity and significance of a "free and equal" exchange of views between the parties.

All this reflected the spirit and the letter of the document approved at the European Communist parties in East Berlin and the timing was highly significant. Mr. Kadar came out publicly in favour of independence and equality, coupled with a free debate, at a time when the parties were sharply criticising the Western parties in general, and Mr. Carrillo in particular.

Thus his talks with the Italian and Yugoslav leaders and the pluralism as well as a deliberate attempt to prevent an open break.

Does this mean that Mr. Kadar is acting as a kind of honest broker? At 65, he is generally regarded as perhaps the most adroit and successful Communist politician east of the Elbe. Starting in a seemingly hopeless position after the crushing of the October, 1956 uprising, he has not only managed to heal the wounds but also to gain a high degree of genuine popular support, put forward by Mr. Kadar, port

Compared with the recurrent tensions in East Germany, the periodic flare-ups in Poland, the wullen mood in Czechoslovakia and even the troubles with human rights activists in Moscow, Hungary appears to be almost a haven of stability.

Clearly no-one is better placed than he to play the role of a mediator in this crucial juncture of the European Communist movement. The question whether Mr. Kadar himself took the initiative, or was acting on behalf of the Kremlin, is less important than the fact that he could be possibly be talking to Sig. Berlinguer or President Tito with a green light from Moscow.

A man of proven and unquestioned loyalty to the Soviet Union, the Hungarian leader would never try to get involved in ideologically and ideologically charged discussions against Mr. Brezhnev's wishes. But he has belonged to the hard-line.

Co-operation and compromise without in any way endangering the basis of Communist Party have been all along characteristic features of Kadar's course in domestic politics. However, the limited tolerance are drawn when the Western Communist parties challenge publicly the legitimacy and the foundations of the European systems. That is the reason why Hungarian commentators implicitly contrasted Mr. Berlinguer's "moderate extreme" stand.

There are untold rumours that M. Georges Marchais, the Secretary General of the French Communist Party will also visit Budapest. Mr. Carrillo himself might be over in Budapest on his way to Moscow for the celebrations of the 60th anniversary of the October Revolution. On the 6th of this important event, Brezhnev would clearly like to secure, even if temporarily, a show of outward unity for international movement.

That would also be useful in the continuing quarrel with China. Thus there is no reason to doubt the word of Mr. Kadar's sources that he is doing what he is doing with the blessing of Mr. Brezhnev. Yet it would be unwise to underestimate the effects of his moderating influence, not only on the Eurocommunists but on the behind-the-scenes dealings in the Kremlin between the hard-liners and moderates.

### Gibraltar hopeful of end to blockade

By Joseph Garcia

GIBRALTAR, Oct. 17.

AS SR Adolfo Suarez, the Spanish Prime Minister, prepares for his talks in London this week, there is a growing feeling in Gibraltar that the deadlocked dispute over the Rock's future—in virtual deep freeze for a decade—is beginning to see a thaw.

Although Sr. Suarez's visit on Wednesday and Thursday is primarily linked to Spain's EEC application, the Gibraltar issue will inevitably be discussed with the Prime Minister, Mr. Callaghan, and the Foreign Secretary, Dr. David Owen. Informed sources say that no specific proposals are being discussed, although certain ideas have been floating since Dr. Owen's recent meeting in Madrid with the Spanish Foreign Minister, Sr. Marcelino Oreja.

The lifting of the Spanish restrictions on Gibraltar is bound to be a central issue in any discussions about the Rock. Dr. Owen's latest pronouncement on the matter is that the new Spanish Government "is well aware that they will have to lift the restrictions." But for the moment Britain is not linking the Gibraltar question to British support for Spain's EEC application, although it has made it known that such support is not entirely unrelated to what Britain expects of Spain over Gibraltar.

The Owen line is that Spain must be allowed to make its own decision to lift the restrictions "and then let us talk together about the problems of Gibraltar in the full knowledge that in the fast instance it will be the Gibraltarians themselves who will decide."

There is no reason to doubt that if Mr. Kadar is acting as a kind of honest broker, he is doing so with the blessing of Mr. Brezhnev.

responsibility towards its own working class and people. Ten days later, the communistique issued in Budapest after Sig. Berlinguer's four-day visit, restated the "full respect for the complete independence of each party." Mr. Kadar agreed both with President Tito and the Italian party leader about the necessity and significance of a "free and equal" exchange of views between the parties.

### 'Open up' cries at Spanish demo

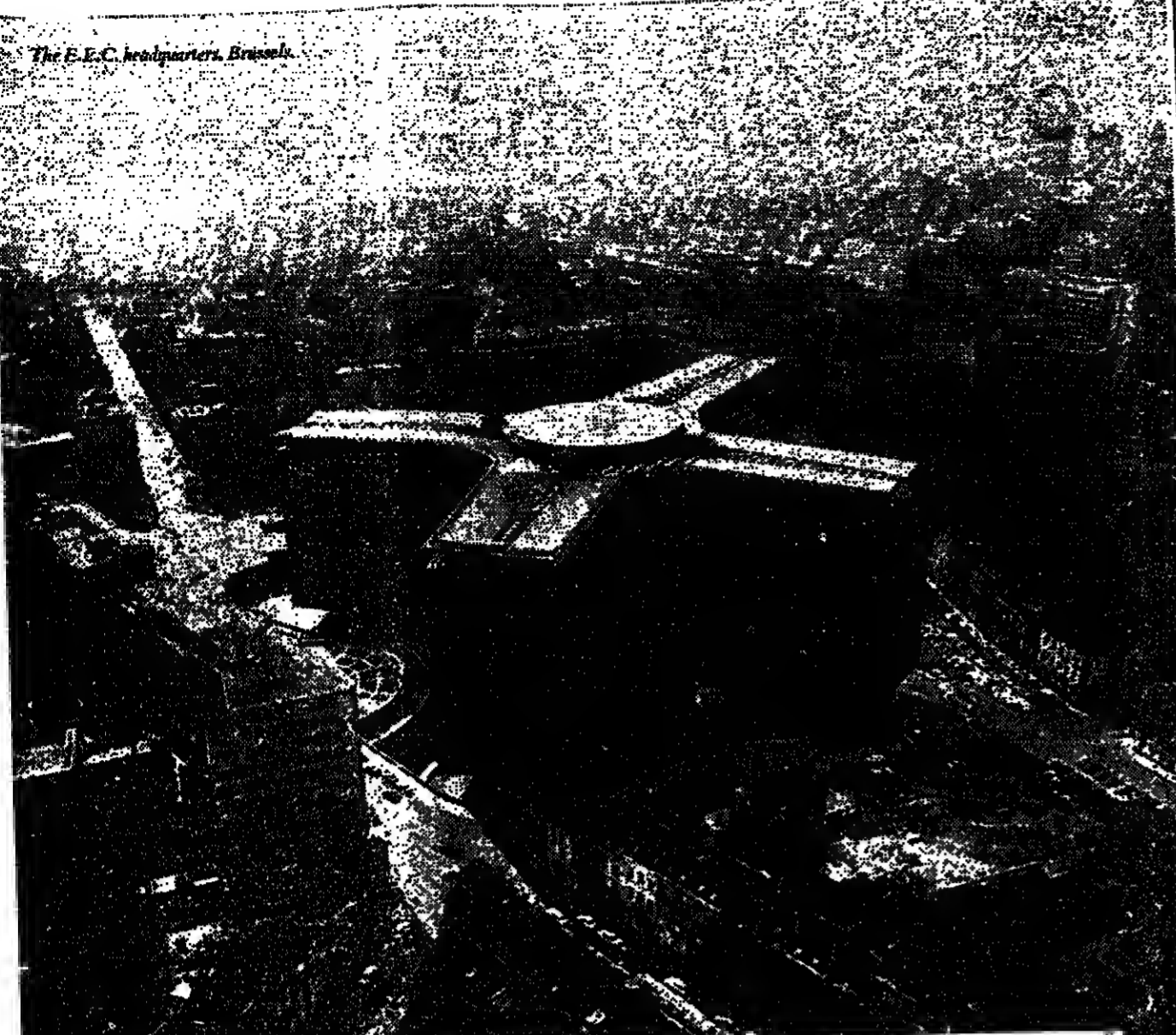
ALGECIRAS, Oct. 17.

ABOUT 300 Spaniards shouting "Open up" held the first demonstration last night against Spain's closure of the frontier with Gibraltar in 1969. They gathered outside the closed frontier gate while about 100 Gibraltarians gathered on the other side and joined in.

The Spanish demonstrators carried a placard signed by a "Committee for Reconciliation" formed two weeks ago by local residents.

Committee members said that they supported Spain's claim to sovereignty over Gibraltar, but opposed methods such as the closure of the border.

Reuters



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## What would Switzerland be without its excursions?

The majestic 12,000-footers with their perpetual snows, the sweet, grass-green hills sprinkled with cows, the dreamy blue lakes you would love to drink from (and could) — by now these are proverbially symbolic of Switzerland.

But it would be a pity to forget in our

excitement the slightly remoter destinations. The Pyramids of Gizeh, the New York World Trade Center, the reclining Buddha of Wat Po in Bangkok, the Sugarloaf in Rio — all have their special charm — to mention but four of eighty-seven idyllic spots that you can reach in short order via the well

known Swiss haulage concern called Swissair. For its guests it keeps seeking out new, interesting specks on the map of this world.

In 1977 alone it turned up three specialities for the exploration-minded: Sofia, Ankara, and Linz on the Danube.

In short, on your next trip to Switzerland it's worth including one of these incidental excursions. Particularly since the 87 are not widely known-as Swiss excursions.



Handwritten signature or text in Arabic script.

EUROPEAN NEWS

Union warns of Volvo car closure in Netherlands

BY MICHAEL VAN OS

AMSTERDAM, Oct. 17.

THE BIGGEST Dutch union, the Metal Workers, has claimed that if the Government is not prepared to inject 250m. guilders (€58.1m.) into the Volvo car plant...

EEC postpones end of U.K. budget row

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

LUXEMBOURG, Oct. 17.

GOVERNMENTS of the EEC agreed today to postpone until the end of next month at the latest the deadline for settling the continuing dispute between Britain and its Common Market partners over the size of the future U.K. contributions to the EEC budget.

Italy's public deficit 'may greatly exceed IMF limit'

BY DOMINICK J. COYLE

ROME, Oct. 17.

ITALY'S public sector deficit which is maintained in office next year could be as much as L.24,000bn. (about \$15.5bn.), or roughly two-thirds higher than the limit imposed by the International Monetary Fund (IMF)...

While there has been no official disclosure, the Italian authorities are understood to have negotiated with the IMF in Washington some adjustments to the terms of the letter of intent...

Spanish off-shore oil find by Chevron consortium

BY ROBERT GRAHAM

MADRID, Oct. 17.

AN INTERNATIONAL consortium operated by Chevron has made the first offshore oil find in deep water in the Gulf of Valencia.

N. Sea pipe break shuts Dutch gas field

By Ray Dafter

A DUTCH off-shore gas field has been shut down following a pipeline fracture. It is the third major incident affecting North Sea oil and gas production this month.

Trade surplus brightens French economic outlook

BY DAVID CURRY

PARIS, Oct. 17.

THE ACHIEVEMENT of a trade surplus of 12.7 per cent. above that of September 1976, and 3.4 per cent. above the August level, has brightened the French economic outlook.

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'Perhaps the bravest man I ever knew...'



and now, he cannot bear to turn a corner

SIX-FOOT-FOUR SERGEANT 'TINY' GIFFORD, DCM., was perhaps the bravest man his Colonel ever knew. But now, after seeing service in Aden, after being booby-trapped and ambushed again more recently, Sergeant 'Tiny' cannot bear to turn a corner.

It is the bravest men and women from the Services who suffer most from mental breakdown. For they have tried, each one of them, to give more, much more, than they could in the service of our Country.

We look after these brave men and women. We help them at home, and in hospital. We run our own Convalescent Home. For some, we provide work in a sheltered industry, so that they can live without charity.

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W. German money supply rose in August

By Adrian Dicks

BONN, Oct. 17.

THE West German money supply continued to increase relatively strongly during August, while there was also an exceptionally large new recourse to bank loans, the Bundesbank stated today in its monthly report for October.

The broadly defined money supply, M3, rose by DM3.5bn (€70m.) seasonally adjusted during August, to give an annual rate of growth of 10.1 per cent. over the four months from May to August.

In year-on-year comparison, however, M3 stood only 8.5 per cent. above its level of August, 1976, while the two more narrowly defined measurements were said by the Central Bank to lie somewhat below this figure.

The Bundesbank offers no explanation for the evidently more rapid growth of money supply last summer, aside from the special effect during July of the release of a large volume of long-term statutory savings, which added some DM13.2bn to a seasonally adjusted basis to the broadly defined money supply.

The Central Bank also traces to this development—long awaited as a host to the flagging West German recovery—much of the growth in domestic new orders to industry registered in the July and August orders figures last week.

The rapid rise in demand for bank loans in August (a seasonally-adjusted DM5.6bn.) was the second greatest in a single month since January, 1973. While some of this was probably due to seasonal factors, such as tax payments, the bank points to the recovery in new orders for some capital goods industries in August, and states that in a year-on-year comparison with August 1976, private borrowings were up by 9 per cent., or only just below the increase in borrowing by the public sector.

Handwritten signature or mark at the bottom of the page.

AMERICAN NEWS

Financing of non-nuclear energy studied

By David Fishlock, Science Editor

U.S. OPPONENTS of nuclear energy, worried at the possibility of a backlash of public opinion if their activities should lead to shortages of electricity...

U.S. seeks comment on enforcement of anti-boycott law

WASHINGTON, Oct. 17. THE U.S. Commerce Department has begun receiving detailed comments on the proposed set of regulations enforcing American legislation about the Arab boycott...

Carter puts case for Panama Canal pact

WASHINGTON, Oct. 17. PRESIDENT Carter breakfasted today with a group of supporters of the Panama Canal treaty as part of the administration's continuing effort to garner support for the document.

MEXICAN POLITICS Shaking off the shadow of the past

BY GAOLING Sr. Felix Barra Garcia, former agrarian reform minister for corruption, President Lopez Portillo of Mexico has taken his most important step so far to assert himself in office and come out from under the shadow of his controversial predecessor, Sr. Luis Echeverria.

As, for more than 10 years, no Mexican minister has been tried for enriching himself in office, the arrest of the former Agrarian Reform Minister is being seen in a highly political light.

Echeverria's Finance Minister, politicians to enrich themselves and was probably chosen because of the slightness of his political experience... Sr. Barra was not only close to President Echeverria, but he was also the principal executor of his controversial agrarian policies...

Bethlehem Steel layoffs

BETHLEHEM STEEL, the nation's second largest steel producer, has announced that it has laid off a further 1,800 employees because of sagging steel demand.

Jamaica may mediate between Cuba and U.S.

BY CANUTE JAMES KINGSTON, Oct. 17. CUBAN President Fidel Castro separated by less than 100 miles has arrived here on a six-day state visit, his first ever to enter into wide-ranging political and economic agreements...

Another general fired in Brazil

RIO DE JANEIRO, Oct. 17. BRAZILIAN President Ernesto Geisel has dismissed another general, the head of the Army Information Centre...



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Bayerische Landesbank has the management capacity to put together a world-wide syndicate of underwriters and selling groups.

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Through our international presence in major financial centres we can meet any client's requirements - from a roll-over credit, via a sophisticated loan syndication, to an easy private placement.

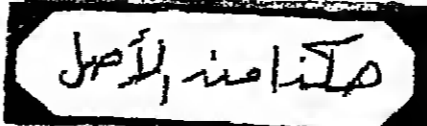
We're also well-placed to give you sound advice about introducing a foreign concern on any German stock exchange. A successful venture, no matter how big, depends upon knowing exactly the right people to borrow from. Bayerische Landesbank is right for most people.

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Bayerische Landesbank Girozentrale

International Banking with Bavarian Drive and Friendliness



Banking in the Gulf

BY DOINA THOMAS BAHRAIN, Oct. 17. A VARIETY of provocative views were aired during the second day of the conference on Gulf Finance, which has been sponsored at the Hilton Hotel here by the Financial Times...



He pointed out, however, that Arab shareholders in the international financial market are in a very weak position. He pointed out, "Arab financial institutions handle only a small proportion of the total oil income available and they have tended to avoid involvement in the broad spectrum of Eurocurrency lending."

He put forward two reasons: firstly, the growing Arab consciousness which has led to a wider attack made by their Arab shareholders in the international financial market... He pointed out, "Arab financial institutions handle only a small proportion of the total oil income available and they have tended to avoid involvement in the broad spectrum of Eurocurrency lending."

Borrowers

As the rates on dollar issues were gradually increasing and those on Gulf currency bonds decreasing with the Bahrain Government issue which was at least a quarter to a half per cent cheaper than other Gulf currency bonds - the Gulf might see more first class borrowers coming to the area for funds. The Bahrain Monetary Agency announced last Thursday that it would issue special merchant banking licences for institutions wishing to establish head trading and issuing operations in the Gulf.

OVERSEAS NEWS

Key talks on Namibia held in New York and Pretoria

BY BRIDGET BLOOM, AFRICA CORRESPONDENT
NEGOTIATIONS TO prevent an...
clash between Western...
African states over the...
of Namibia were taking...
place last night in New...
York and Pretoria.

Abu Dhabi warning on oil licences

By Roy Dafter, Energy Correspondent
OIL COMPANIES in Abu...
Dhabi have been warned...
that unless they step up...
their exploration and...
production their licences...
may be switched to other...
groups.

FOREIGN INVESTMENT IN SOUTH AFRICA Nervously looking for local partners

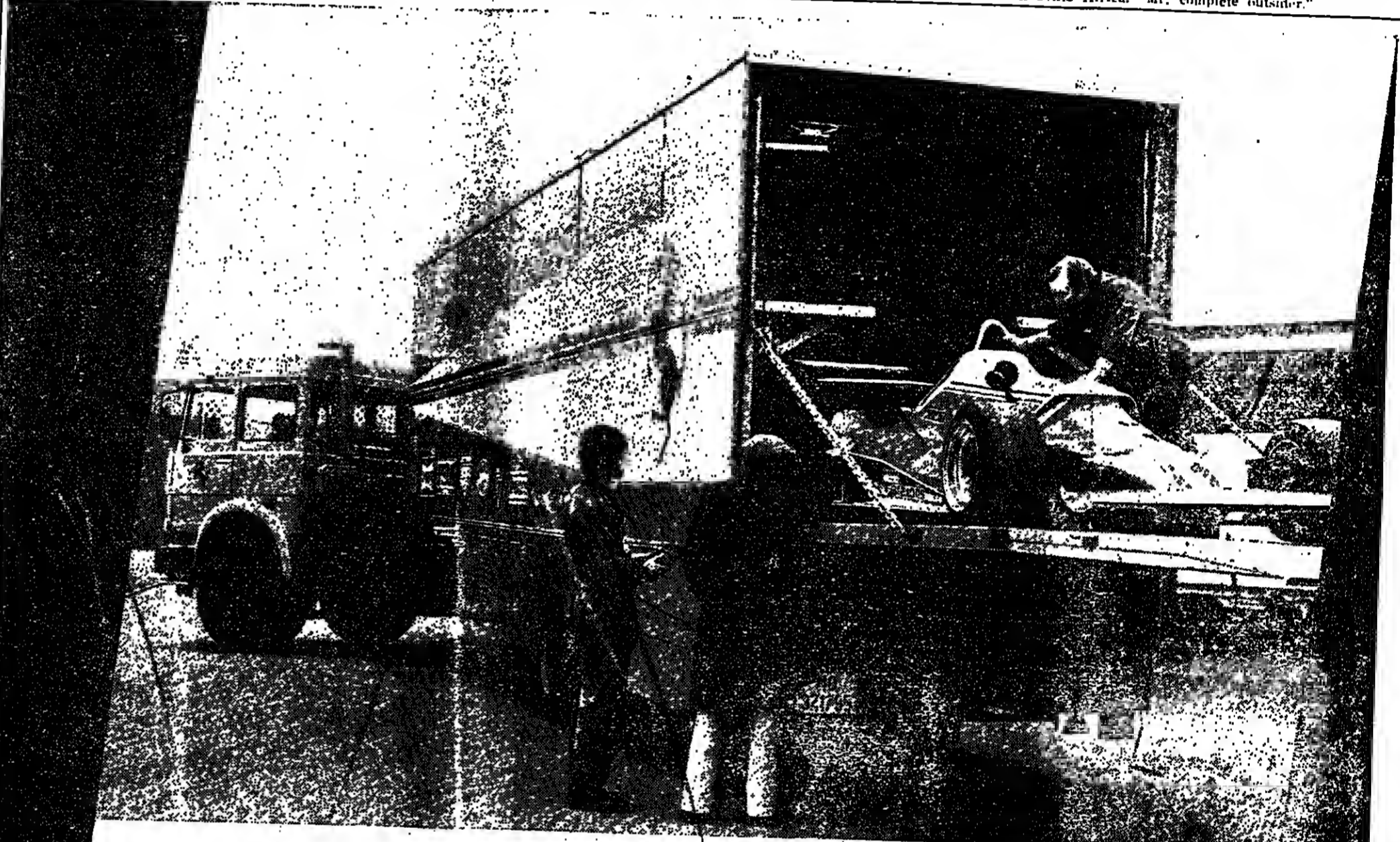
BY BERNARD SIMON IN JOHANNESBURG
DESPITE POLITICAL uncer-...
tainities in southern Africa...
and prospects of a low...
economic growth rate in...
the region for several...
years to come, there is...
little indication that the...
1,000 or so multinational...
corporations operating...
south of the Limpopo...
River intend taking their...
money and running.

India aims to normalise relations with China

Y. K. K. SHARMA
NEW DELHI, Oct. 17.
ATAL Behari Vajpayee...
jeopardise the process...
of establishing closer...
relations with Peking...
by raising the contentious...
territorial dispute.

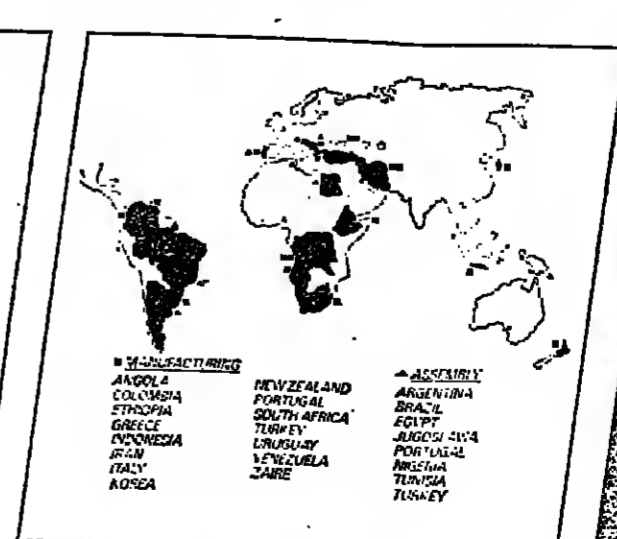
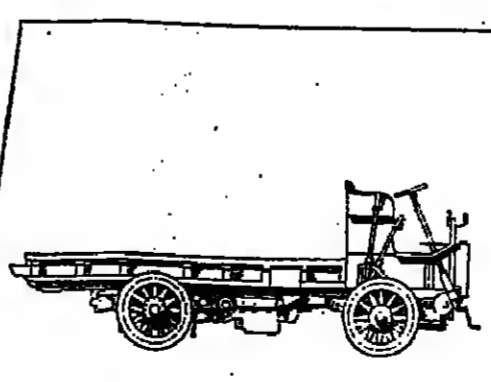
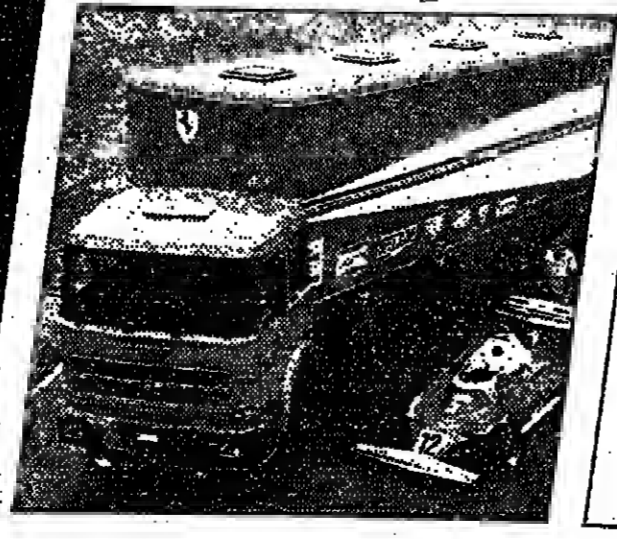
Thailand-Cambodia talks likely in Peking

RICHARD NATIONS
HONG KONG, Oct. 17.
THAILAND is currently...
playing a prominent...
role in the South East...
Asian region.



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S. Africa sugar pact doubts
Silk Rome CAP talks 39







# British foreign policies are best.

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The £740 million earned last year from exporting insurance exceeds the total cost of our imports of beef, butter and tea.

60% of our non-life premium income now

comes from abroad. Other EEC insurers—and the USA—earn less than 15% of their premiums from overseas.

Britain's insurance companies are free to compete for business at home and abroad.

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And the world has decided that British foreign policies are best.

**BRITAIN'S INSURANCE COMPANIES.**  
INSURING BRITAIN'S FUTURE TODAY.

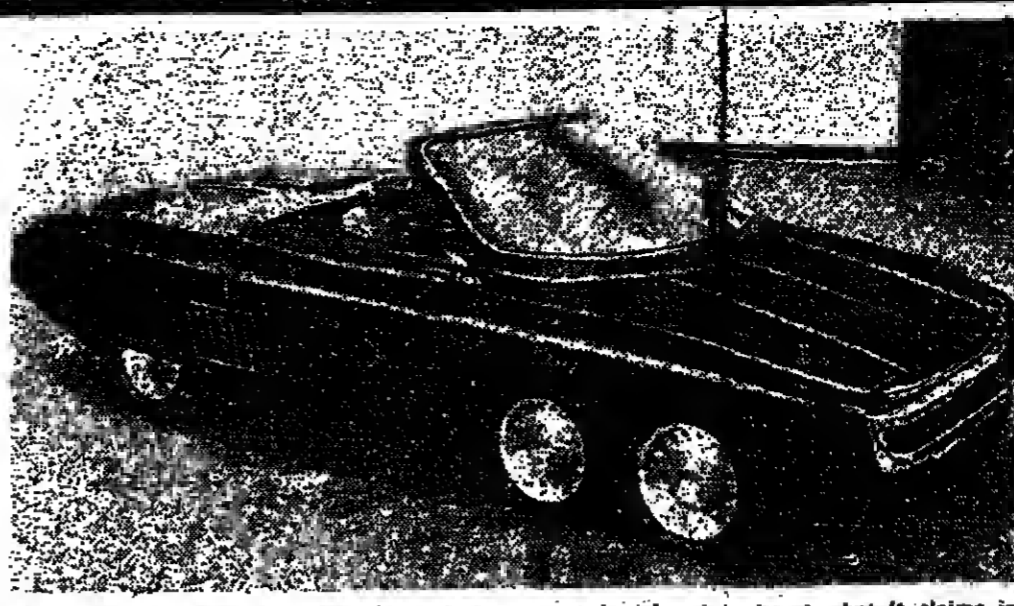
HOME NEWS

Industry lay-offs begin as oxygen strike cuts supplies

BY LYNTON McAIN, INDUSTRIAL STAFF

HARLAND AND WOLFF shipbuilders in Belfast laid off 1,500 men yesterday when oxygen supplies ran out as a result of the seven-day manual strike by hourly-paid manual workers at British Oxygen.

Mr. Peter Hogan, Kenmore works manager, said the two major industrial gas suppliers had become reluctant to go for each other's customers during the past two years.



Panther West Winds, the Surrey specialist motor maker, has introduced what it claims is the ultimate in exotic cars. The Panther 6 is a six-wheeled, 200-mph-plus sports model to sell for £39,950 in the U.K., but available only in limited numbers.

Shell/Esso plan 'novel' development of oil field

THE SHELL/ESSO group is planning a novel form of oil field development for its important North Sea Fulmar field.

The development programme has yet to be agreed with the Department of Energy. In the past, delays have been caused because companies have found it difficult to install production equipment at the same time as drilling for oil.

Australasian banks may be losing business to U.S.

BY ADRIENNE GLEESON

AUSTRALASIAN BANKS IN London appear to be losing business to New York and Singapore because the spread between the Australian dollar and the dollar is wider than that quoted in other financial centres.

'Scotland must have Assembly' says Tory MP

BY IVOY OWEN, PARLIAMENTARY STAFF

MR. DAVID KNOX, MP for Leith and a former vice-chairman of the Conservative Party, issued a warning yesterday about the dangerous consequences of another failure by Parliament to carry legislation setting up a Scottish Assembly in Edinburgh.

Tyrone Crystal glass factory lock out its managers

BY OUR BELFAST CORRESPONDENT

THE 20-strong management team at one of Ulster's best-known crystal glassware factories were back at their jobs yesterday in Belfast.

The men were made redundant on Friday, but yesterday they were back at their jobs. They arrived at work yesterday and the gates locked and the company's workers firmly in control.

Mixed reception for plan on deferred tax accounts

BY NICHOLAS COLCHESTER

NEW DRAFT accounting rules designed to remove the large amounts of deferred taxation now accumulating as a liability in the balance sheets of many companies have had a very mixed reception in the accounting profession.

Merrill Lynch & Co., Inc. consolidated statement of financial condition, as of December 31st 1976.

Table with columns for ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY, and SHAREHOLDERS' EQUITY. Includes sub-sections like Cash and Securities on Deposit, Receivables, Brokers and dealers, etc.

Rio Tinto-Zinc begins Lords uranium appeal

BY PAUL CHEESERIGHT

RIO TINTO-ZINC CORPORATION'S final attempt to gain the support of the English courts for not giving evidence in the Westinghouse uranium litigation under way in the U.S. started yesterday in the House of Lords.

Merrill Lynch International & Co. logo and contact information. Includes text: 'Merrill Lynch International & Co. is a member of the Merrill Lynch & Co., Inc. group of companies.' and a list of branches and subsidiaries.



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HOME NEWS

Airlines undecided over new Atlantic fares

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE MAIN Atlantic scheduled airlines have postponed for several weeks their efforts to agree a new fares structure for a route to become effective at April 1.

Value of architects' commissions 'is still falling'

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE VALUE of architects' commissions is still falling, according to the Royal Institute of British Architects.

NEWS ANALYSIS - PILKINGTON Seeing it through

BY DAVID FREUD, INDUSTRIAL STAFF

WITH the £70m. plant investment announced yesterday, Pilkington, the only flat glass manufacturer in the U.K. and one of the "Big Four" in international terms, has resurrected a project it abandoned three years ago.

It now feels the economic climate is better and fears losing markets both at home and abroad to European competitors.

Drawbacks

From the mid-1960s, Pilkington has used the licence income—nearly all major glass producers now use the process—to expand abroad.

New Rover 1500 versions launched

Stuart Alexander R.O. TO-DAY launches its 2500 and 2000 cc-cylinder versions of the award-winning but very few will be available in the showrooms.

Electro-ceramic pottery exports show big growth

BY DAVID FREUD, INDUSTRIAL STAFF

STRONG growth in pottery exports in the first seven months of the year was made up of sanitary ware and electro-ceramics.

Labour Party in Scotland to plan polls strategy

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE STRATEGY and policies to be adopted by the Labour Party in Scotland in the vital elections next year, which include regional polls, if not European and General Elections, are to be considered at a special conference at the end of next month.

Shipbuilding orders up on 1976

BY OUR SHIPPING CORRESPONDENT

THE BRITISH shipbuilding industry booked almost as many orders, valued at 382,773 gross registered tons last year and 66,829 in the first nine months of this year, as were taken in 1975.

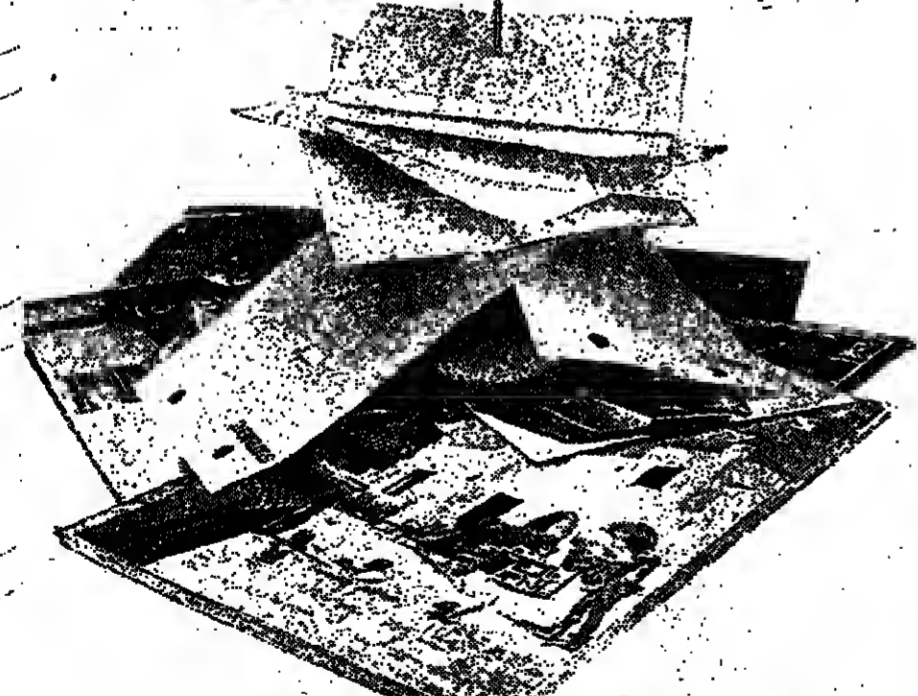
cars have been produced for three weeks since the disruption at the plant. In future, production schedules will revolve around an engine supply, although 1500 will still be given priority.

Prudential backs tennis training scheme

PRUDENTIAL ASSURANCE is reported by the Green Shield trading stamps company, will be administered by Mr. Jack Moore, manager of the Lawn Tennis Foundation, which was instrumental in starting open coaching centres in 1962.

Advertisement for Office Communications featuring a man in a suit and the text: "And on your chosen subject, Office Communications, you passed on five questions..."

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# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## MACHINE TOOLS Automatics save on big components

SAVINGS of around £70,000 a year, or about 240p per component, can be inferred from a case study on the use of automatic chucking machines replacing the Churchill automatic chucking machines at the Avon Rubber, which contains an unexpectedly liberal amount of information on operating costs.

The company is using six CA 9-16s and one CA500, all seven being single-spindle units, to make trailer axle equipment, and turned fork-lift truck wheel hubs, the brake drums and components for hydraulic cylinders at the Bridgend plant. Output is around 250,000 components a year and the company supplies about 60 per cent of solid beam axles and suspension axles for its rubber component hatches run from 40 to 500 which demands a great degree of flexibility from the lathes. At the same time, volume is important and the installations have to be able to cope with double-shift working, which can be interpreted as meaning 4,000 hours a year of operation.

According to Avon, the Churchill automatics have met requirements with flying colours. Allowing for routine maintenance, machine down-times over the past several years have been

The rubber suspension approach pioneered by Avon is based on strong rubber cords attached at each end to rigid box sections. The rubber pieces are squeezed into the required triangular shape and frozen with liquid nitrogen. They are then placed between the box sections before thaw and the trailer arm units thus assembled have the Churchill-machined axle units attached to them prior to despatch.

More from Charles Churchill, Shildon Road, Raydon-on-Tyne, Tyne and Wear NE21 5AA. 089 425 2133.

## ELECTRONICS Family of testers

MEMBRAN has a new series of automatic test equipment, micro-computer based and suitable for digital, hybrid and analogue testing.

There are four systems in the series, all built around the MR 7700 controller, which has a Membran-designed processor, a display, keyboard, and a floppy disc. Software is transferable and constructed from modular "plus-in" packages. There are two test program "packages", Memtest and AVAS, the new generally accepted international test language.

MR 7730 is a high volume tester for digital and hybrid printed circuit boards containing microprocessors and other LSI devices. The 7710 is a transportable tester which can use factory test programs in the field.

MR 7720 provides analogue functional and in-circuit inspection testing with automatic programming, while MR 7790 is a simulation and programming station.

Membran is seeking to provide a full range of commercial electronic sub-assembly test equipment which marks a departure from its previous systems except in the parts. Its new series was developed over two years with the aid of the NRDC. So far Membran has spent over £1m. and over 100 man-years on development.

The company now has over 200 systems installed worth over £8m. with 70 customers in 15 countries. The U.S. market is next on the list.

## Gets rid of solder

ONE of the more annoying tasks encountered when disconnecting circuit boards—the removal of solder—has been simplified by a precision desoldering device introduced by Vero System (Electronic) of Southampton.

The tool, available in three sizes, has a replaceable Teflon nozzle to which solder cannot adhere and a spring loaded plunger to produce quick removal of solder at the appropriate moment. More from the company at 289a Soling Road, Southampton (0703 440611).

## SERVICES Data bank of agents

FINDING reliable agents for the distribution of products overseas can be daunting for companies venturing into export markets for the first time. Even well established exporters moving into new areas of operation can find that the right agent or distributor is not always simple to get.

A service has been launched in the U.K. by Dun and Bradstreet, the business information company and the world's largest commercial credit reporting agency which will help to overcome this obstacle and open up potentially lucrative overseas markets.

Dun and Bradstreet Export Support Service provides a list of financially viable overseas companies interested in handling the particular product line. Prospects are identified either by investigation by local staff or through a databank of about 4m. continuously updated company profiles.

Dun and Bradstreet 01-247 4377.

## COMPONENTS Quick off the hook

INSTANT RELEASE of tensioned ship mooring lines can be obtained with a range of jolly hooks developed by Brown Lenny and Co., Pontypridd, South Wales.

The "Snarian" series hooks will replace the company's earlier types for most applications. They are smaller and require less maintenance and have capacities up to 150 tons proof load with manual release. Future developments will incorporate electro-pneumatic or electro-hydraulic release systems which will make them particularly suited for applications such as automated oil terminals where central control is required for safety and speed of operation.

They are produced in single, double and triple-hook versions.

## PACKAGING Laser seals polythene

LATEST ROTARY polythene bag and sack-making machine from A. J. Binsley is claimed to be the first in use a laser to cut and seal high density polymer. Production is said to increase by 50 to 80 per cent, compared with conventional linear converting machinery.

The machine cuts and seals high density polyethylene film using a Ferranti laser. Binsley worked in collaboration with the Culham Laboratories of the UKAEA in developing the laser head. The beam is controlled by encoded prisms, and the technique developed is claimed to produce an infallible seal instantly on any thickness of film.

Binsley is not prepared to divulge any further aspects of the laser development, as the company has suffered in the past from patented technology.

F14 bags in all sizes from 178 x 230mm up to sack size can be produced at 450 to 600 metres/minute. With pre-printed film for the smallest bags, this represents a production speed of 210,000 bags/hr compared with 24,000 in 32,000 bags/hr on conventional machinery.

Depth of the bag can be changed without stopping the machine, and the maker says there is almost no wastage and no loss of production time.

Pre-printed materials can be accepted at 800 metres/minute with perfect register. The machine's control system is digital, with phase-locked loop

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## SHIPPING

### Dry dock for small craft

A SIMPLE floating dry dock for boats up to 6 tons and 35 feet long has been developed by Walcon Marine, Twyford, Winchester. It is said to eliminate the problems of hauling on to hard or grids.

Capable of being moored in any sheltered water, it can be operated by one person irrespective of the state of the tide—apart from a portable compressor, no mechanical equipment, slings or props are needed, according to Walcon.

The dock consists of a hollow fibre reinforced concrete base, stabilised by four spousons. With water in the hollow base, the dock sinks low enough for boats to be floated over the base and located against the spousons. The compressor is used to force air into ducting in the base, and the whole unit lifts out of the water, providing easy access for maintenance and inspection.

More from the designer on 0982 712125.

## DATA PROCESSING

### Conditions computer room air

AA access to the units is from the front, and all units can be moved without dismantling through a door, 2 metres high by 75 mm. wide. Orders for the units have already been placed by IBM, Univac and ICL for their own computer rooms.

Installed prices range from £400 to £600 per ton refrigeration. Maximum cooling capacity available is 198,760 Btu/hr.

Two RANGES of free-standing, self-contained computer room air conditioning units, with top or bottom air discharge, have been launched by Eaton-Williams Group, Station Road, Edenbridge, Kent TN7 6EG (073296 3447).

Main feature of both models is an electronic control system incorporating energy conserving hard wired logic which selects equipment operation programs to optimise power consumption.

The Edenaire-S units have a single refrigeration compressor, but are fitted with an evaporator capacity control which switches in and out to modulate the effective cooling load. This is achieved without starting and stopping the compressor at frequent intervals, and without the use of a ballast heater.

Edenaire-M units have dual compressors, both fitted with the evaporator capacity control, providing greater control accuracy and reducing the likelihood of a partial loss of cooling if a part fails.

Hot gas re-heat and reverse cycle operation are options which can further reduce running costs.

All access to the units is from inside; closed circuit glycol/water cooled; or remote air by product and department and cooled. Secondary protection against a successive rise in temperature of humidity is provided by back-up over-ride controls.

## PoS score in Finland

ICL HAS an order for point-of-sale computer equipment worth £155,000 from one of the leading department store chains in Finland. The company concerned, Anttila Tukkuappon Oy, will take two System Ten computers, 25 Model 811 terminals and 27 OCR wand readers.

One System Ten with terminals and wand readers is due to be installed shortly in Anttila's Helsinki department store; the other will be installed later at Salo. Both will replace NCR equipment.

Terminals and wand readers will be used at check-out points and in stockrooms to capture sales and stock information at source. They will be linked direct to the computers to provide up-to-the-minute information for management on sales, inventory and department and stock levels. An automatic price look-up facility is one of the features of the system.

More from ICL on 01-788 7372.

Learned Information (Europe) of Oxford has been appointed to represent the service in Britain and to provide one-day training courses for would-be users.

One of the most important aspects of the service is its ability to provide, in a few minutes, guidance as to whether a project being considered by a company has, in fact, already been done elsewhere. It will, on demand, produce a listing of patents in the field envisaged and thus give a clear idea of what is afoot among competitors.

Typical searches take around ten minutes and the cost is between £3 and £11, depending on which of the 60 databases are used. New ones are being added at the rate of one a month, including some developed in the U.K. More on 01-439 1680.

Whether you travel to Africa, the Far East or Australasia, you'll probably be with our cabin staff for 3,500 miles or more. Time to appreciate their outstanding long distance international experience. Their command of at least three languages. Their 'oh-so-French' hospitality. And the Courreges uniform!

UTA - The long distance French Airline

# UTA AIRFRICA

# LAING

LOCAL OR NATIONAL CONSTRUCTION SERVICE

## CONSTRUCTION Casement window frame

BASED ON European design practice and modified to meet the requirements of the U.K. market, a new style of softwood casement window frame has been launched by Brig Building Co.

Called the Continental, 1 standard window is 1.2 metres square, and is said to cost 20 per cent less than a comparable conventional casement window.

The window is centrally divided by a mullion from which the casement is hung and it can be opened to provide ventilation without going beyond the reveal. Opened fully, the window swings through 180 deg. back again the admiring light.

This type of opening offers other advantages. It can be closed from inside the room and all the rebates are on the inside. Of course, can be oiled and cleaned from inside as it is supplied with cleaning brush and other sizes can be made to order.

The window is standardised to conform with NBRRC standards, and is complete with a permanent handle (from an optional front one handle model).

A hardware version is in development, and a new window is being developed to eliminate external painting.

The window which is the first of its kind, is made from a typical local softwood. The spacing of window frames should be around 800

## Their approach

## and ours

This advertisement is about to attempt the impossible. In one minute, it will show how we have created a very successful computer company by persuading—not pressuring—our customers. We will soon be owned by the Swedish State and Saab-Scania. This means that our backing is greater than most of the world's leading computer companies. But dealing with us is quite unlike dealing with a multi-national giant. Our team of salesmen are all fully trained in systems and commercial applications.

Something few of our competitors can claim. Together with our technical team, their sole purpose is to discuss your requirements with you, evaluate our possible contribution and, when you're good and ready, install suitable Datasaab equipment. Once it's in, our people stay with you until you're ready to take over your own installation. A refreshing change from the sell-it-and-leave-it philosophy of some companies we both know. And after installation, our customers continue to benefit from our on-going systems support and application package development. To find out why people use Datasaab equipment just contact us at the address below. It'll also leave you totally free to choose between their approach. And ours. After all, the Guardian Building Society, John Hamilton (Pharmaceuticals) Ltd., Worldmark Travel Ltd., and over 2,000 bankers made the right decision.

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Part of Scandinavia's foremost technical organisations.

Datasaab Limited, 1 Gresham Street, London EC2V 7BU. Telephone: 01-606 0425 Telex: 926236

Handwritten signature or text at the bottom of the page.

هكذا من الأصل

The Financial Times

# The New Chrysler Sunbeam. Very highly specified. Unmistakably styled.



Put a Chrysler Sunbeam  
in your life — Petula

Introducing the new Chrysler Sunbeam. An excitingly unmistakable style that stands out from other hatchbacks around today. But as well as its looks, it brings you many other important advantages which, we think, make it the best in its class. Here are just a few.

#### Sunbeam Specification.

The Sunbeam range is superbly equipped. Even the low priced models have electronic ignition, inertia-reel seat belts in special 'non-trip' housings, dual circuit servo assisted brakes (discs at front), reclining front seats, heated rear window and key warning lights for added safety. You won't find all of these in even the most expensive Fiesta, Polo, Chevette or Mazda. So you can imagine just how much you get with the top-of-the-line Sunbeam S.

#### Sunbeam Servicing and Economy.

The Sunbeam has been designed and built to give you *real* economy. All models need major servicing *only once a year* or at 10,000 mile intervals, with an intermediate oil change and brake check every 5,000 miles or six months. And their revolutionary Electronic Ignition systems mean lower maintenance costs, more efficient use of petrol and instant starting in even the coldest or wettest weather. The fuel economy from the three engine sizes available with the Sunbeam is remarkable, to say the

least. Up to 50.0mpg\* from the specially developed '930' engine; up to 41.5mpg\* from the '1300'; up to 41.0mpg\* from even the sporty '1600' unit, which takes you up to 95mph.

#### Sunbeam Space and Versatility.

Inside, the new Sunbeam is like a much bigger car, because careful attention has been given to wheelbase, width, shoulder and hip room measurements. So driving gives you a very solid, confident feeling. Its hatchback versatility means a massive 42.7 cu.ft. of luggage space with the rear seat folded (even with the seat in position, there's 14.7 cu.ft.). And in the GL and S models, the back of the rear seat also divides in two, letting you take 28.7 cu.ft., as well as a passenger in the back.

#### How's that for versatility?

Style, space, equipment, economy, choice: we're convinced they make the new Sunbeam the best for you and your family.

But take a test drive soon and prove it for yourself. Because only driving is believing. Right?



## THE NEW CHRYSLER Sunbeam



CHRYSLER  
UNITED KINGDOM

\*Manufacturer's figures achieved at an average speed of 36mph over a course of 80 miles of town and country driving.  
\*Owing to an industrial dispute at suppliers' factories, some early Sunbeam models have been built without electronic ignition. As soon as supplies permit, the Company at its own expense, will replace the existing ignition with electronic equipment.

HOME NEWS

Index-linking for all pensioners urged

BY ERIC SHORT

PEOPLE who campaigned to remove from public services pensioners their right to index-linked pensions were criticised last night by Mr. R. E. Macdonald, president of the Faculty of Actuaries.

Pensioners, he said, needed special measures to protect them from the injustices of inflation. Therefore he considered that the campaign would be better directed towards seeking index-linking rights for all pensioners and all savers.

Perpetually rising inflation made contractual savings very difficult to justify, Mr. Macdonald told the Faculty in his presidential address. A holder of a with-profits endowment assurance maturing at the end of 1976 would have just got his premiums back in real terms.

Work joins the existing converted side-trawler fleet of 14 vessels operated by Safetyships, a subsidiary of Christian Salvages (Oil Services).

The Harlow, 740 gross tons, has a capacity for 400 survivors, including 26 stretcher cases in the ship's hospital and emergency care area. It is intended to be an advance on the present generation of side-trawlers used as rig safety vessels.

Mr. Andrew Salvesen, the company's managing director, said in Aberdeen yesterday that North Sea oil companies were becoming more safety conscious since the Ekofisk blowout.

There was a recognition that more sophisticated equipment was needed, although he admitted that the market for the ships was purely speculative.

State grants of £65m. for foundries

A TOTAL of 276 ferrous foundries are going ahead with investment projects worth more than £320m, based on Government grants of £65m, it was disclosed in Birmingham yesterday.

The scheme has closed and all 514 applications are expected to be dealt with by the New Year.

Community rules may cause bus cuts

could be faced with having to consider cutting evening and Sunday services altogether if they are to comply with the full regulations.

Mr. Robert Brook, chief executive of the National Bus Company, said: "It is probably misleading to generalise at present, but there is no doubt that many of our companies

Shoe makers concerned over stock build-up

LITTLE MORE than 240m. pairs of footwear will be sold in British shops this year—but it is estimated by the British Boot and Shoe Institution that retailers have bought from home manufacturers and in imports 260m. pairs.

Plea to save literacy grants

MANY LITERACY schemes helping 100,000 people to read and write could be axed unless Government grants continue after next April, the British Association of Settlements warned yesterday.

ment. However, he warned that another year of negative returns would tip the scales to an overall negative real return on policies.

He urged actuaries to consider the need for changes in actuarial practice to meet new demands in the age of consumerism. The increasing complexity of business life because of legislation indicated more extensive training for actuaries after they had qualified.

It was in the interests of proper control of members activities that the rules of professional conduct within the faculty should be brought up to date and a working party was examining the changes required. Finally Mr. Macdonald asked members to consider whether there was a need for two separate professional actuarial bodies in Britain.

Surveyors' warning on factory space shortage

THERE WOULD BE a national shortage of modern factory and warehouse space in the event of any rapid increase in industrial activity, according to figures in a quarterly market survey published yesterday by King and Co., surveyors.

King and Co. say that only 23 per cent of the 76.3m. square feet of empty industrial space now standing empty is less than ten years old. That represents the national stock of industrial property. Although the survey does show a marginal increase in the rate of new industrial building, the available stock of modern space would clearly be absorbed rapidly in any big revival of industrial and commercial activity.

Anti-ship missile order

THE MINISTRY of Defence yesterday confirmed the U.K.'s long-expected Royal Navy order for the U.S. sub-Harpoon submarine-launched anti-ship missile.

Women students advance

WOMEN ARE getting more first degrees at university than they were five years ago, according to a report on graduate careers. It also shows that women are moving more and more into jobs and professions traditionally dominated by men.

Bank of Ireland announces that the following rate will apply from and including 18th October, 1977

Base Lending Rate 6% per annum

Bank of Ireland logo and name

Base Rate Australia and New Zealand Banking Group Limited announce that on and after 18th October 1977 its BASE RATE will be 6% per annum.

Australia and New Zealand Banking Group Limited logo and name

6% per annum

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APPOINTMENTS

CENTRAL & SHEERWOOD GROUP ACCOUNTANT

Central and Sheerwood Limited wishes to recruit a qualified Accountant, preferably aged 28 to 35 years, who will operate principally from its headquarters in S.W.1.

CHIEF ACCOUNTANT SWANSEA

Aluminium Wire & Cable Co. Ltd. has recently been re-organised into four main divisions. The total Company turnover is around £15m and the Cable Division now has a vacancy for a Chief Accountant reporting directly to the Director and General Manager of that Division.

AWCO ALUMINIUM WIRE & CABLE CO. LTD. PORT TENNANT SWANSEA

INSTITUTIONAL SALES EXECUTIVE SPENCER THORNTON & CO.

COMMODITY APPOINTMENTS

STOCK EXCHANGE DEALER BURGE AND COMPANY

COMPANY NOTICES

ROBECO ROTTERDAMSCH BELEGINGSCONSORTIUM N.V.

PLANT AND MACHINERY FOR SALE

HELLENIC SHIP AND AIRCRAFT INSURANCE COMPANY S.A.

ROBECO logo and name

THE BEST INVESTMENT TIP OF THE YEAR

MAJOR DREDGING CONTRACT IN THE MIDDLE EAST

LEGAL NOTICES

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LEGAL NOTICES

UTA - The long distance French Airline

WARRANT

Handwritten signature

LABOUR NEWS

SHIPBUILDING MANAGERS VOTE TO JOIN EMA

TUC taken to court in poaching row

CHRISTIAN TYLER, LABOUR EDITOR

TUC is being taken to court by the Confederation of Shipbuilding and Engineering...

The TUC's challenge to the EMA's challenge to the TUC falls into three parts...

EMA is going all out to establish itself as a kind of umbrella for the TUC...

the next meeting of the TUC general council from suspending its expulsion at the next annual Congress...

Mr. John Lyons, general secretary of the EMA, said yesterday that the union's decision to go to court had been unanimous...

EMA is going all out to establish itself as a kind of umbrella for the TUC...

Grunwick strikers pessimistic about support action

BY NICK GARNETT, LABOUR STAFF

MR. JACK DROMEY, spokesman of the Grunwick strikers, admitted yesterday that he was extremely pessimistic...

Mr. Dromey said, however, that the strikers will be given continued assurances that the investigation was still going on...

Williams and Glyn's staff accept Phase Two deal

THE FIRST MAJOR pay settlement in an English clearing bank...

Williams and Glyn's Bank agreed to accept a Phase Two deal giving 5 per cent pay rises back-dated to July 1...

Beer returns to Fox and Goose

BY OUR LABOUR STAFF

A MASS MEETING of draymen in Anselms Brewery in Birmingham is expected to-day to agree to restore beer supplies...

Local leaders of the draymen's union, the Transport and General Workers Union, agreed to recommend a halt to the blacking of supplies to the Fox and Goose...

The draymen, had been continuing to black beer to the pub in defiance of a TUC disputes committee ruling...

Ships' officers firm on strike ballot

BY PAULINE CLARK, LABOUR STAFF

MERCHANT NAVY officers told to insist on by-passing Phase Two if its basic demand can be met by a productivity deal...

The Merchant Navy and Air-line Officers Association said it was sticking to its demand for a 35,000 officers' pay settlement...

Discussions on a possible productivity deal are being based on the use of fewer officers to man larger ships and extra duties carried out by chief engineers.

Police pay talks to-day

BY DAVID CHURCHILL, LABOUR STAFF

CRUCIAL PAY talks to avert a strike in excess of possible police strike—would its pay guidelines be the first for 50 years—are in progress today...

Strike hits Scottish coal output

A STRIKE by mine officials has hit coal production in central Scotland.

An unofficial walk-out by 32 management officials at Bedley colliery, near Shotis in Lanarkshire, forced the National Coal Board to lay off 230 miners.

Swan Hunter men keep ban on overtime

SHOP STEWARDS representing 1,700 outfters in the nationalised Swan Hunter shipbuilding yards...

The men say their wages are more than 27 a week behind boiler-makers, and demand to be brought into line.

World Value of the Pound

A table below gives the latest available rates of exchange for the pound against various currencies as of October 17, 1977.

Table with columns: Place and Local Unit, Value in Sterling, and Value in Sterling. Lists various countries and their exchange rates.

Our food (and our children's food) must not be given away

Next week, on the 24-25th, your Government is attempting, possibly for the last time, to set in train serious negotiations with the EEC countries...

The waters around our islands, and the North Sea in particular, are the world's most prolific fish pond...

Britain's pond provides more than 60% of the so-called "EEC pond" which currently yields around 3,000,000 tonnes of fish a year.

What is more, that would be £2,000,000,000 a year for ever. Unlike the oil and gas, the fish resource, properly cared for, will follow its natural cycle of reproduction...

On the basis of that 60% contribution of waters, Britain should reasonably expect the same share of that £2,000,000,000. A claim further enhanced by the fact that we are Europe's predominant fishing nation...

But Britain is in danger of losing its rightful share and, even more alarmingly, the waters and the fish within them are not being properly cared for.

Despite our predominance, and the fact that we have lost more in distant waters than the other European states and have little to gain from access to their own largely barren waters...

In addition, Britain's pond is being pillaged. Too many fish are being caught, many of them before they mature and are able to reproduce.

is only one solution. It is, as the rest of the world has already demonstrated, to give the coastal state exclusive control over a wide band around its own shores.

It is the only certain method of exercising the degree of control required to establish what should be caught by whom (and how) and, above all, ensuring that such a conservation regime is fully enforced.

If the Government fails to obtain an exclusively controlled 50 mile zone for Britain, these are the likely results:

- 1. A continuation of the present gross over-fishing with a quickening in the pace of decline in the stocks as ever more immature fish are caught...
2. The creeping unemployment in the British catching industry...
3. If, as the disappearing herring already graphically demonstrates, our waters become a maritime desert...
4. If we give it all away, there will be no hope of Britain ever getting its fair share of its own fish again.

That is why it is essential that the Government speaks up for us vigorously and uncompromisingly next week.

Thomas Cook Bankers. Thomas Cook Travellers Cheques accepted name for money. Worldwide.

We must have a 50 mile exclusive fishing zone. British Fishing Federation, National Federation of Trawler Officers Guilds, National Federation of Fishermen's Organisations, Scottish Fishermen's Federation.

# The intelligent way to gather business intelligence

In every type of business, decisions can only be taken on the basis of sound facts, up-to-date statistics and accurate information.

The first way of gleaning information is, of course, through the columns of the Financial Times, daily.

A further way is to put our mine of information to wider, long-term use: by using the Financial Times-SVP Business Information Service.

This service is a collaboration between the FT's own Business Information Centre and SVP-S'il VoUs Plait—the international information network. It gives you immediate

access—by phone, letter or Telex—to a wealth of invaluable information.

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concerning many aspects of law and tax. Or queries arising from scientific or technical subjects.

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## MARITIME INDUSTRY FORUM REPORT

# Shipping in stormy waters

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

PERHAPS the most remarkable fact about the International Maritime Industry Forum, whose report today faces seafaring nations with some devastatingly difficult alternatives, is that it has survived.

During its two years of life it has attracted shipowners, shipbuilders, bankers and oilmen from 18 countries and is, apparently, still registering new members.

Unfortunately, having stated this one encouraging point there are few other sources of optimism in surveying the world shipping scene, as the forum's report makes abundantly clear.

In effect, there are two separate crises on a collision course. The first is the state of the oil tanker chartering market, where rates have slumped lower than rock bottom, and the second an overcapacity in the world's shipbuilding yards.

In 1976, the yards built 35m. gross registered tons of shipping, whereas in 1980, the Association of West European Shipbuilders expects demand to be less than 13m. gross registered tonnes.

### Survival

This has left the Governments of the traditional maritime nations, like Britain and the Scandinavian countries, in the impossible position of on the one hand, calling for international co-operation in controlling the growth of the industry—and at the same time furiously seeking ways of enabling their own yards to compete with the cheaper products of Japan, Korea and Yugoslavia.

The forum's case is that without international co-operation, the industry cannot survive in its present form. It foresees that the combined losses of tanker operators (because of continuing depression of freight chartering rates) and the deficits of shipyards will ultimately be met by Governments.

This could mean greater State control of both shipping and shipbuilding throughout the world, but it is more likely to produce a small group of large shipowners able to withstand the buffeting of the present market and, at the fringe, a trickle of new entrepreneurs buying their way into shipowning during a period of depressed ship prices.

One London shipping banker says his own company knows of at least a dozen such newcomers already. Certainly the forum has no difficulty in pointing to the casualties of the scenario they describe, nor of identifying the ways in which Governments are seeking to offset the resulting difficulties.

In Britain, the most recent example of governmental cash lubricating the industry's pistons has been the operation of the £85m. shipbuilding intervention fund and in particular its use to secure a £116m. order for British Shipbuilders from Poland.

Probably between £20m. and £30m. will be used from this fund to subsidise the uncompetitive-ness of British yards by this one deal.

In presenting the forum's report yesterday, Sir James Dunnett, the chairman, refused to be drawn into singling out this deal for special criticism. But it remains true that it is an example of subsidising an industry at a capacity which from an international viewpoint must get smaller.

### Lure of aid

The other forms of government intervention—less crude but no less significant which are attacked in the report—are flag preference policies whereby, as in the U.S. oil transport industry, it is proposed to reserve a certain proportion of cargo for the domestic fleet.

Equally, the forum is alarmed at the sight of governments—the Norwegians are one example—winning shipbuilding orders from developing countries by using the lure of foreign aid.

In coming up with a figure of \$60bn. for the likely cost to government of covering this over-capacity between now and 1985, the forum is hoping to scare governments into a re-think and to convince the developed nations that short-term protection of employment is not worth the long-term destruction of the structure of two industries.

Although Sir James Dunnett was able to say yesterday that favourable responses to the IMIF document have already been received from certain governments, including the U.K. Departments of Industry and Trade, there are a number of

important weaknesses in the forum's position.

Not least of these is the fact that U.S. companies are debarred from participation by anti-trust legislation. Furthermore, expansion of fleets in the underdeveloped world is by far the

greatest expansionary factor, and bodies like IMIF inevitably have less influence there.

On the other hand, the forum can point to its membership as evidence of interest from by far the world's biggest shipbuilder.

Of restraining capacity has been achieved anyway. This is the kind of obvious must be taken of the world economic pressure for later this year in the large-scale redeploying labour out of shipbuilding.

Meanwhile the IMIF, reflecting the temerarious own constitution, concluded the chartering acts that have been agreed that the should continue to take world's maritime problems at least another year.

Nor are the final words report over-pessimistic. It is at stake," it says, "the survival of national shipping and shipbuilding industries which are being self-confident, independent competitive."

There is also some disagreement between shipowners and shipbuilders within IMIF over the size of the capacity problem. The Association of West European Shipbuilders believes that if output in the 1980s is calculated on the basis of man-hour input for each job rather than simple gross tonnage and if at the same time better productivity is achieved, the financial burden on Governments would be much less than IMIF predicts.

One shipyard estimates that the cost of direct subsidies is halved

### LIKELY COST OF GOVERNMENT SUBSIDIES ON WORLD TANKER OPERATIONS

	1977	1978	1979
1. Charter-free tonnage (m. tons) deadweight	104	124	136
2. Average operating plus voyage costs (1977 Worldscale)	49	51	52
3. Average single voyage revenue including voyage costs (1977 Worldscale)	43	44	44
4. Average operating loss (1977 Worldscale)	5	7	8
5. Total annual operating loss (\$m.)*	448	748	1,172

\*Line 1 x 0.95 (to allow for cargo loss from deadweight) + line 2 x 0.95 (number of voyages PG-N, Europe via Cape per annum) x line 4.

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One shipyard estimates that the cost of direct subsidies is halved

### LIKELY ANNUAL COST TO GOVERNMENT OF SHIPBUILDING SUBSIDIES (\$m.)

Estimated shipbuild capacity (m. GRT) unsub.*	1978		1979		1980		Total 1978-80 unsub.*
	12m. GRT	All	12m. GRT	All	12m. GRT	All	
15	195	975	246	1,230	300	1,500	741
20	520	1,300	656	1,640	800	2,000	1,976
25	845	1,625	1,066	2,050	1,300	2,500	3,211
30	1,170	1,950	1,476	2,460	1,800	3,000	4,446

\* Assuming first 12m. gross registered tonnes is subsidy-free. † Assuming all building is subsidised.

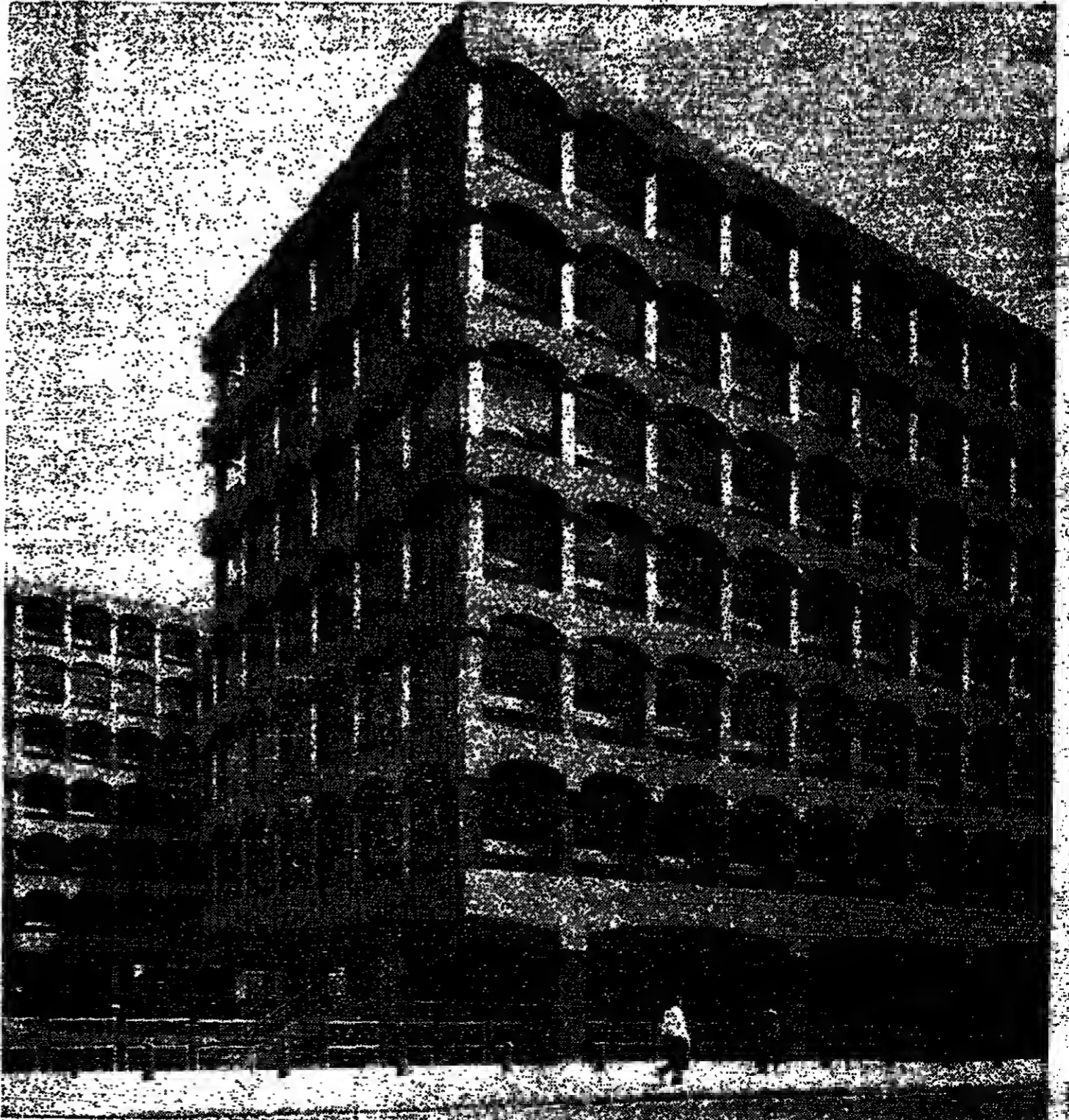
# Announcing Stone & Webster House

We have moved to new headquarters on Gray's Inn Road, London.

Keeping pace with continuing expansion, while bringing our UK based operations under a single roof, and with its interior laid out to our own specifications for greatest efficiency, the new office equips us better to serve our clients.



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the USA and Canada.



هندسة واستشارات



# FINANCIAL TIMES SURVEY

Tuesday October 18 1977

# OHIO

## Lower house of industry

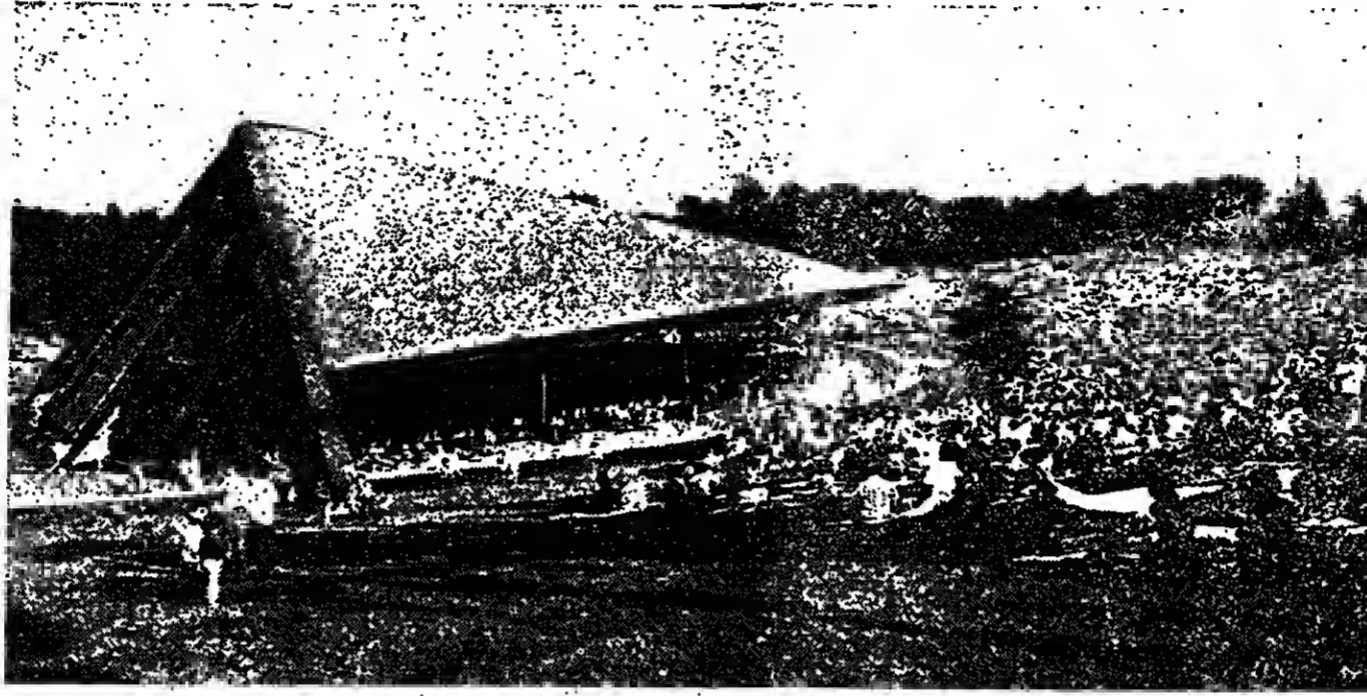
manufacturing region and as the nation's economy grew and diversified so too did Ohio's, enabling it to retain its overall industrial strength and become, for example, an important centre of the U.S. automotive industry as nearby Detroit. When General Motors built one of its most modern plants in the 1960s it was at Lordstown, Ohio. This in the 1950s and 1960s Ohio's prosperity seemed to be inextricably linked to that of the U.S. as a whole. To-day, however, there is a growing awareness that the cord which tied the State to the nation's prosperity is in danger of fraying. Government and services—ranging from insurance and banking to fast food chains like Macdonalds and Burger King—have been the growth industries of the 1970s, along with such new industries as electronics and computers. And Ohio, the home of Thomas Edison, the man who invented the electric light, and the first State to have cars and cash registers (Cleveland), has to a great extent been by-passed by these new industries.

### Indigenous

Even the State's indigenous industries, such as the rubber companies Goodyear and Firestone, who made Akron the tyre capital of the world have been spreading their new factories around the nation or around the globe rather than around Ohio. Hence economists in the State are asking whether Ohio's over-dependence on industry—about one-third of its employment and two-fifths of its State product—are related to manufacturing. It is going to prove to be a liability in what is increasingly being referred to as America's "post industrial era."

The issue of fundamental importance to the State of Ohio is for-looking at the State a little harshly—it can be said that it is little more than an economic unit and that its character and the character of its people and politics are to a very large extent a function of its economic base. True there are distinct—surprisingly so considering the time that has passed—ethnic enclaves in the cities, but the favour that these German and Slovak immigrants

Unrivalled in the U.S. in the scale and diversity of its industry, Ohio is the third largest state in terms of manufacturing output. But as STEWART FLEMING reports, its attitude of relative complacency is having to adapt to meet new competitive pressures.



Music in an outdoor setting: Blossom Music Center near-Akron is the summer home of the Cleveland Symphony Orchestra.

Mayor Richard Daley. Significantly, Cleveland has no international or national banks to match either Chicago's Continental Bank or First Chicago. Cleveland, it is true, has its fair share of industrial businessmen, but the charge is made that too many of them turned their backs on the city and retired to back rooms with their accountants. So the name of John D. Rockefeller, creator of the world's greatest oil cartel before OPEC, is not in the public's mind inextricably linked with Cleveland, even though this was the city which saw the birth of his great vehicle the Standard Trust. Even those Ohio politicians who rose to national prominence rarely put their stamp on the country's affairs—the exceptions include men like Senator Robert Taft—this Ohio lays claim to being the homeland of no fewer than eight U.S. Presidents—a claim which is cruelly but fairly lampooned in the phrase "mother of second rate Presidents." The list includes such men as William Henry Harrison, William McKinley and Warren G. Harding.

### Astronaut

Even the State's modern heroes, men like astronaut John Glenn (now one of Ohio's senators) and Neil Armstrong, the first man on the moon, are as yet seen more as technology's creatures than the great explorers of the past. So to many Americans Ohio is synonymous with the Midwest and the name conjures up images of rolling cornfields tended by white farmers addicted to conservative politics and old time religion, and in general are not too concerned about the world outside Ohio. The western region of the State where it borders on prosperity eroded.

# OHIO.. The Heart of America's Largest Market.

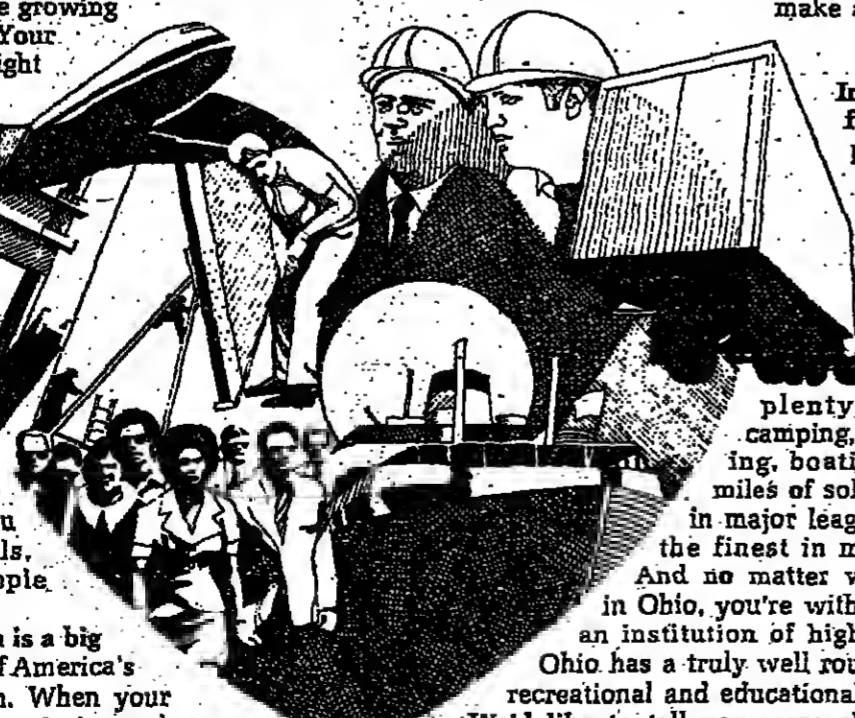
**Are you're looking for a new industrial site, remember:**

Ohio, you're naturally closer to more customer prospects. Within 600 miles of Ohio you'll find thirds (67%) of America's population. Plus a significant portion of the growing market as well. Your customers are within overnight transportation of 18 of the

business. We'll help you cut red tape, help you find a location, and help you take advantage of the business benefits available to you. We want to help you make a profit.

U.S. markets. Ohio, you're the center of the best labor Ohio has one of the world's most productive forces ready to go. They're here, they are trained, and ready to go to work for you. And if you need special skills, help you train people.

Ohio, transportation is a big advantage. Ohio is the hub of America's Highway System. When your business is heading for America's markets, it's better than an even chance you'll have to go through Ohio. So why not start here? Ohio has deep-water ports on Lake Erie to accommodate shipping, and a string of Ohio River for economical barge access to international markets. Extensive rail facilities with plenty of ramps criss-cross the state, and seven terminals serve the needs of all Ohio. State and local governments work together to help industry prosper. Ohio wants your



In Ohio, you'll find a great place to live and work. When it comes to good living, Ohio has it all. We have a great state park system, plenty of room for camping, hunting, fishing, boating, miles and miles of solitude, the best in major league sports, and the finest in music and art. And no matter where you are in Ohio, you're within 30 miles of an institution of higher education. Ohio has a truly well rounded cultural, recreational and educational environment. We'd like to tell you more about Ohio, its people, its location and transportation advantages, its livability, and our attitude towards business.

*James A. Duark*  
Governor, State of Ohio

Write or call James A. Duark, Director, Ohio Department of Economic and Community Development, Box 1601, Columbus, O. 43216 (614) 466-3378.

In Europe Contact: State of Ohio European Office, 21 Avenue de la Toison d'Or, 1050 Brussels, Belgium 5130751.

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**In this whole wide world you have us where you want us.**

We are the correspondent bank you can bank on in the Midwestern United States. We are National City Bank and we serve many of the major U.S. corporations. Cleveland is a major money center and we provide all the banking services offered by banks in other major money centers. Yet, we do not compete with you in your own country. Instead, we augment your business efforts in this country.

So, no matter what your banking needs are, you are important to us and we know we can be important to you. Let us discuss this to our mutual advantage.

Write Frank W. Goodhue, Senior Vice President and Manager, International Division, 623 Euclid Avenue, Cleveland, Ohio 44114, or telephone (216) 861-4900. In London, contact Richard E. Beauman, Vice President and European Representative, 65/66 Queen Street, London, EC4R 3EB, telephone 01-248-1456. Telex 881165.

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Serving the Midwestern U.S.A.



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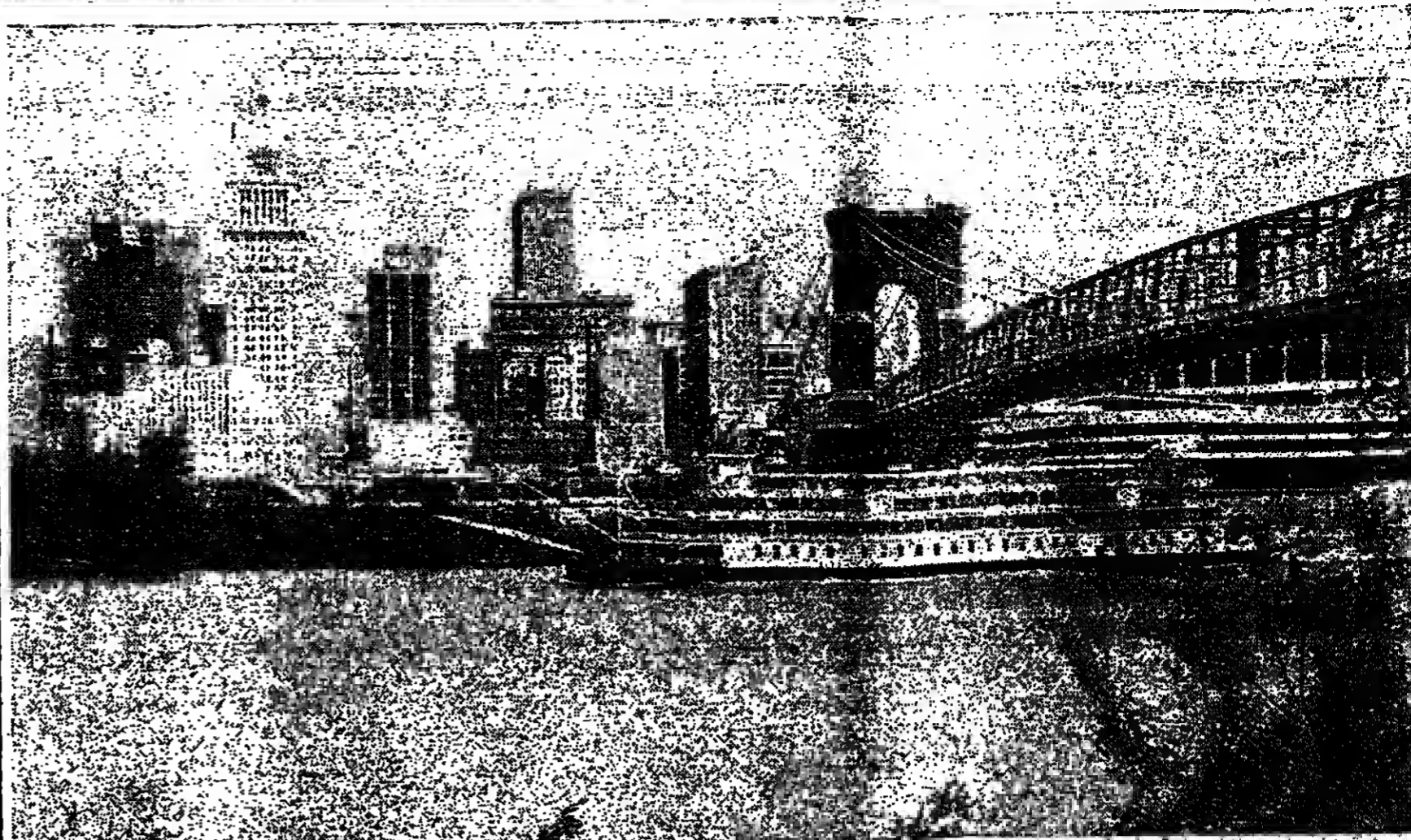
In addition, our International Division, again headquartered in Columbus, is actively engaged in international banking services and financing, including Euro currency lending through our Grand Cayman office. For detailed information on all The Huntington can do for you, write, call or telex our International Division.

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The Cincinnati skyline with the river steamboat Delta Queen, one of the few remaining overnight packet liners on the Ohio and Mississippi rivers.

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YOU'LL LIKE THE COMPANY YOU KEEP.

Some of the businesses in Cincinnati are home-grown. Others — over 500 of them — have moved in to stay. All have grown and prospered here.

Cincinnati has long been home to a diversity of business and industry. Like two of the nation's largest retailers, five major insurance companies, manufacturers of everything from machine tools to detergents, shoes to chemicals. Cincinnati keeps all these companies satisfied. And our city — among the most livable in America according to Saturday Review and Christian Science Monitor — keeps the people who work for them happy. We'd like you to

look at the company you'll be keeping in Cincinnati. And at the advantages of doing business in our area.

Contact Charles E. Webb, Director, Economic Development, Greater Cincinnati Chamber of Commerce, 120 West Fifth Street, Cincinnati, Ohio 45202. Phone (513) 721-3300.

- Corporate Headquarter Report
Warehouse & Distribution Guide
Downtown & Suburban Office Building & Office Park Guide

- Industrial Park Guide
1977 Business and Industry Directory
Arthur Andersen Comparative Tax Study
The Entire Library

Greater Cincinnati Chamber of Commerce

\*August 21, 1976 and July 16, 1975 respectively.

FTL10

THE MIDLAND CO. ■ CINCINNATI MILACRON

Haphazard approach to economic planning

WHEN GOVERNOR James Rhodes first came to office in Ohio 15 years ago his basic political instinct—that if he tried to ensure that there were plenty of jobs for its people this would cure social ills and ensure his re-election—quickly manifested itself.

Setting what in 1963 was a particularly aggressive trend in the search for new industrial investment he started sending out teams to promote Ohio as an ideal place for industry to expand in and to scour the country for companies who might be tempted by the sales pitch that "profit is not a dirty word in Ohio," a State with some of the lowest tax rates in the country.

Lawrence Seaway in the north and the Ohio River in the east, have been important strategic factors in the State's economic development, and the development of its export trade, which includes grain as well as manufactures.

Ohio's highly diversified agricultural sector and its food processing industry—with a combined product worth around \$10bn.—are important factors in the underlying strength of the economy.

Central to this strength are two other key elements, however—its reservoir of skilled labour and its location at the heart of the nation's markets.

Within a 600-mile radius of Ohio are two-thirds of the population of the U.S. and Canada combined, two-thirds of the effective buying power and three-quarters of the U.S. manufacturing payroll. It is also, of course, located right next to the great car assembly plants of Detroit, a factor of crucial importance in Ohio's development as the largest automotive parts manufacturing State in the nation as well as having its own large car assembly industry.

The steel and metalworking industries of Youngstown and Cleveland reflect these factors. Good communications by road and rail and also across the Great Lakes and down the St.

first U.S. manufacturing plant in the State, near Columbus. The plant will manufacture motorcycles to start with, although there are hopes that subsequently motor car production will be introduced. Ohio was also one of the front runners last year for the first Volkswagen car assembly plant in the U.S. It lost out eventually to Pennsylvania but only after that State had offered the financially pressed Volkswagen company \$50m. in low interest loans.

Problems. In spite of its considerable attractions and a gross State product which in 1972 was estimated at \$61bn., Ohio is facing a number of economic problems related to fundamental changes in the national economy as well as factors affecting Ohio and other States in the Great Lakes area and the north-east of the U.S.

Thus while Ohio's dependence on manufacturing industry is a source of strength, the fact is that while manufacturing's contribution to State gross product has been steady at around 40 per cent. for several years, manufacturing employment has declined relatively from around 40 per cent. in the late 1960s to nearer 34 per cent. now. Factors affecting this trend include labour-saving investment as well as decisions by U.S. Corporations, and some in Ohio like Goodyear and TRW, to locate new plants in the Sunbelt States.

A special factor in these decisions has been that, although the Ohio labour force is highly skilled in general, it has also been highly unionised at wage



Over half the business in the United States is conducted within 500 miles of Union Commerce Bank

Union Commerce Bank is located in the heart of Cleveland, and Cleveland is located in the manufacturing and marketing heart of the United States. Cleveland, itself, is the 9th ranking consumer market in the United States, the 6th ranking industrial market, and the 3rd ranking in corporate headquarters. Within 500 miles, you'll find 50% of the population of the United States, over 55% of all U.S. manufacturing plants, over 50% of all retail sales, over 55% of all wholesale sales, and over 70% of the nation's largest headquarters.

All of which means that, when it comes to business, there's more to Cleveland than Cleveland. And Union Commerce Bank, one of Cleveland's leading international banking institutions, can help you get more of that business because we've been serving this market, steadily and responsibly, since 1938. We know the market; we're closer to the market; we can bring you closer to Cleveland. To Ohio. To the heart of the United States.

For more information on a complete range of services to assist you in establishing new operations in the heartland of the United States and to facilitate import/export trade arrangements, contact either our Cleveland office or our London office.

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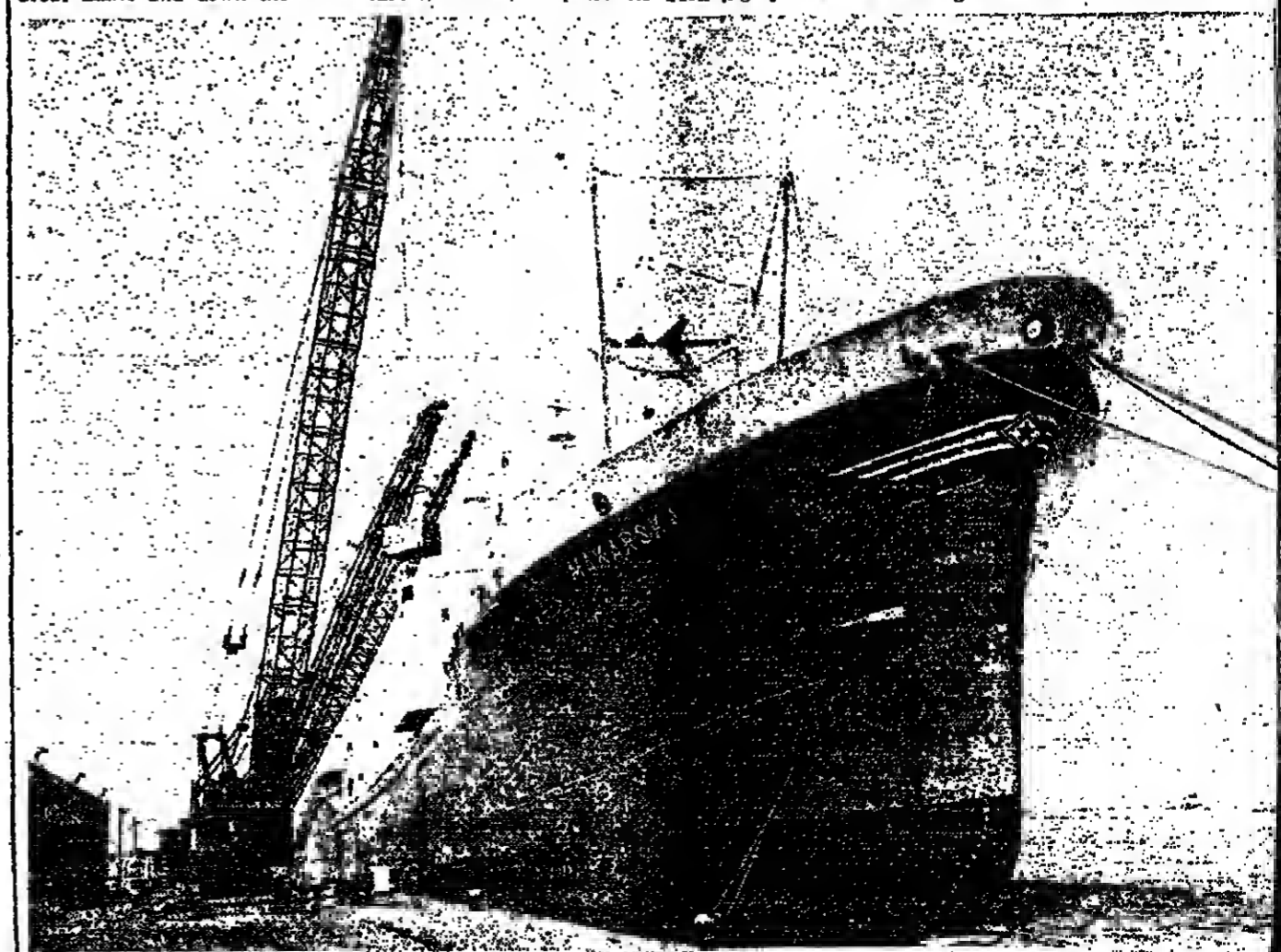


Attractions

Ohio, in the meantime has not lost many of its considerable economic attractions, advantages which helped it to develop as the third most important manufacturing State.

Initially, of course, it was its strategic location between the iron ore deposits in Minnesota and the coal fields of Appalachia (Ohio itself is the fifth largest coal producing State) which were key factors in its development as a centre for industry.

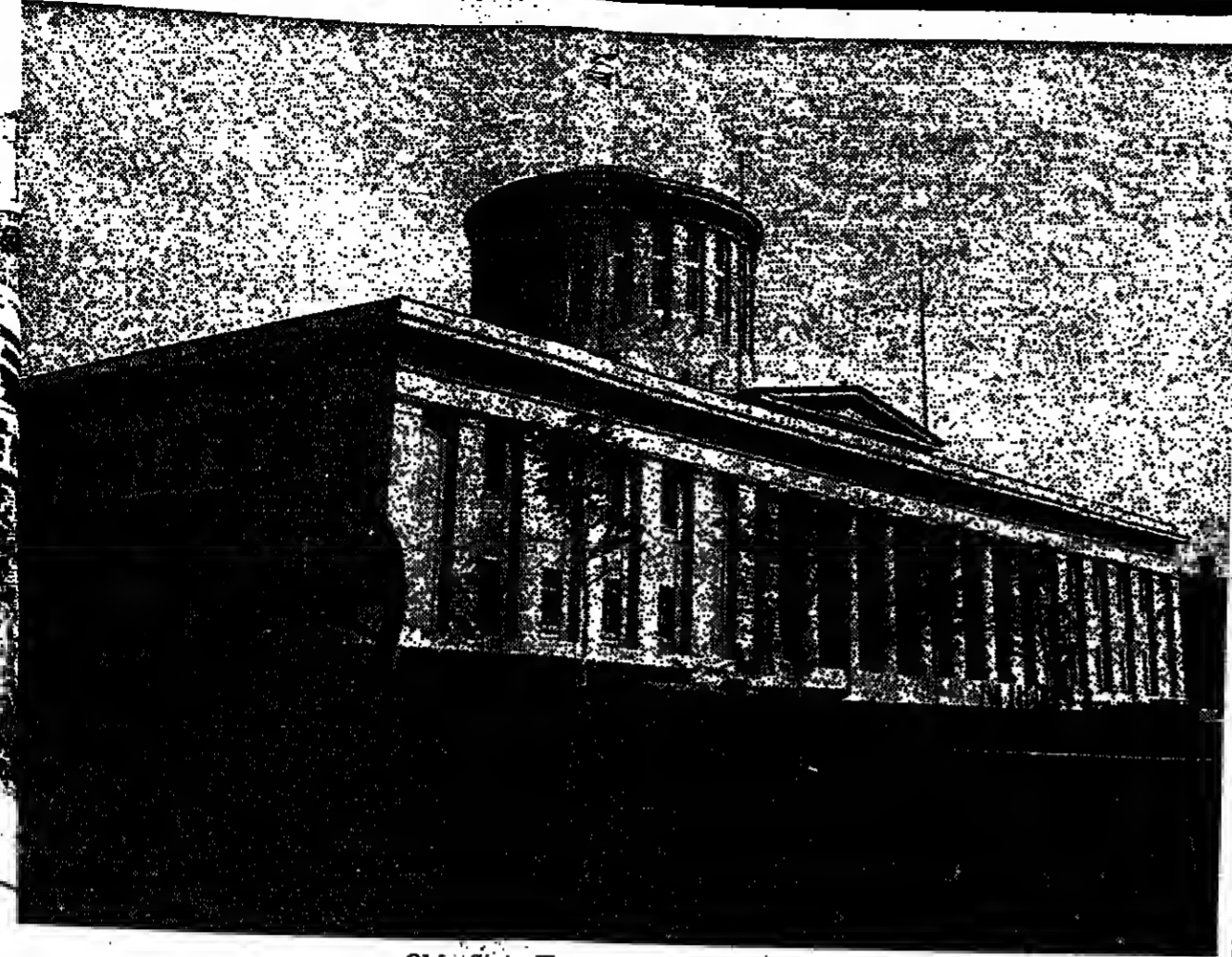
The steel and metalworking industries of Youngstown and Cleveland reflect these factors. Good communications by road and rail and also across the Great Lakes and down the St.



The Port of Cleveland is the best equipped general cargo port on the Great Lakes.

Handwritten signature or mark at the bottom of the page.

OHIO III



Ohio State House in Columbus.

An independent view of politics

RHODES, the Republican governor of Ohio who is retiring the end of his year term, appears to politics of the State with a free vote which he freely concedes that his voting population in and moved more deeply by nominal party affiliation was re-elected for a third term in 1974. On the face of it, it is not doubt that the chemistry which dicta-

scandal involving top State Republicans. Yet in spite of this background, and the Watergate disclosures, the Ohio electorate seems to have been unmoved by what came to be known as the "post-Watergate morality."

Gilligan's new taxes, for Rhodes was re-elected for a third term in 1974. On the face of it, it is not doubt that the chemistry which dicta-

as anti-union laws come to the fore—as they did in 1958, for example, when "Right to work" was on the ballot—organised labour has not pulled together electorally and thus helped pull the Democratic Party together with it.

For these reasons among others, Governor Rhodes has been able to conjure up his Republican majority, uniting business and farming interests with enough blue collar workers and Blacks to ensure victory. He

written by journalists Robert Burdock and Richard Zimmerman of the Cleveland Plain Dealer newspaper. Although the articles first appeared in 1969, Burdock maintains that they continue to present a fair picture.

In the articles, entitled "how the State Legislature Really Works," they wrote: "The General Assembly is made up of four houses—the Senate, the Lower House, the Lobbyists and the Press corps. The most important work of the Assembly is done in the Marcom and the Top of the Center restaurant, behind the closed doors of the Neil House, in the bar of the Columbus Sheraton, in closed meetings of the majority party leadership, in the Governor's office—and only sometimes in open committee.

"In fairness it should be said that the Ohio General Assembly is probably one of the better State legislatures. The leaders of both parties are, within a framework that existed long before they came to Columbus, responsible and honourable men. The members for the most part believe themselves to be serving the public good in so far as practical politics permit.

**Strings**

"Gone are the days when lobbyists openly paid off legislators in cash in the halls of the State House after they had cast a "right" vote. Gone too are the days when "Boss" Hanna arrogantly sat in his Neil House suite and pulled the strings of power, perverting the legislative process as drunken legislators reeled among brass spittoons.

"But not gone is the tremendous power of the special interest lobbyists who lurk in the legislative halls. Not gone are the log-rolling and the pork-barrelling which waste millions of dollars of tax revenue in the home districts of particularly powerful committee chairmen.

Not gone is a Governor who will buy votes on promises of public works projects.

"Many, if not most, of the more complex omnibus bills come directly from Columbus-based lobbyists representing trade, business and professional associations. The insurance industry, for example, practically dictates the laws that are imposed to control the industry. The same can be said of banking, the utilities, and savings and loan organisations.

"When Democrats are at the helm labour sips well at the captain's table; but as a constantly potent force in Ohio politics organised labour is only a myth. The coalition of Republican legislators and business-orientated trade associations is a formidable power structure. As a result much needed social reforms and tax revisions are not forthcoming.

All that of course was written before John Gilligan came to power and to-day there is a Democratic majority in the Legislature. But hundreds of lobbyists still circle around the State Government, and the political processes of the State do not command the respect of businessmen who would be out of a job in short order if they ran their affairs around the world in so casual a fashion.

doesn't affect me, he says of President Jimmy Carter's victory last year. It was, incidentally, a key vote which tilted the election in Carter's favour, who again a crucial vote.

Rhodes' view is not for the man," a view which harmonises with the prevailing view of Ohio's politics. He has been described as "a conservative" but it is probably more accurate to say that the electorate of Ohio has, in its own way, a fragile commitment to the status quo and Democratic continuity. So fact is that committee elections seem to cross seemingly unpolitical chasms.

1974, in the wake of the Republican victory in its manufacturing economy—the car workers, the steel workers and the rubber workers. It is also a heavily urbanised State and some of the cities, particularly Cleveland, have large Black minorities.

But in spite of Ohio's possession of many of the characteristics which might be expected to create a hard-core Democratic majority, "his-city" Republicanism has been the dominant force in the State's history. Popular opinion has it, for example, that the State capital, Columbus, is virtually the seat of the Wolf family which controls a major newspaper, the Columbus Dispatch, and has important interests in the city's radio and television station WBNS, in property and finance.

One of the intriguing questions about the State's politics is why the Democrats have not been able to exercise a more consistent influence. Some people suggest that the unions are not themselves ideologically committed and that in any case they tend to be too divided among themselves. The lack of a major city with a powerful Democratic organisation as a focus for Democratic power is cited as another factor, and this is contrasted with the superior organisation of the Republicans, out of time with modern trends.

To many the picture of the State's political process is one of politicians wheeling and dealing for short-term advantage. An unparalleled description of this process was contained in a series of articles

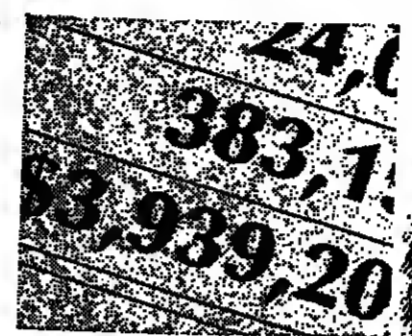


Rolled out the dollars to a company in Latin America to purchase newspaper printing equipment from the Harris Corporation.

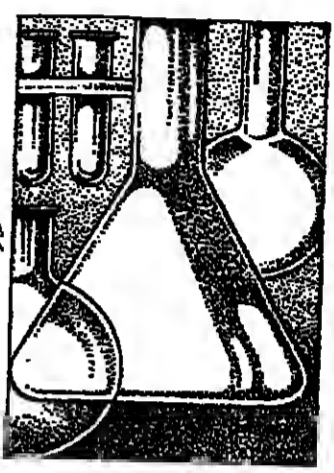


Cleveland Trust. The Bank that

Constructed a \$7 million loan for a Philippine purchase of earth-moving equipment from Terex Division of General Motors.



Has the strongest capital-to-assets structure of any of the top 30 U.S. banking companies.



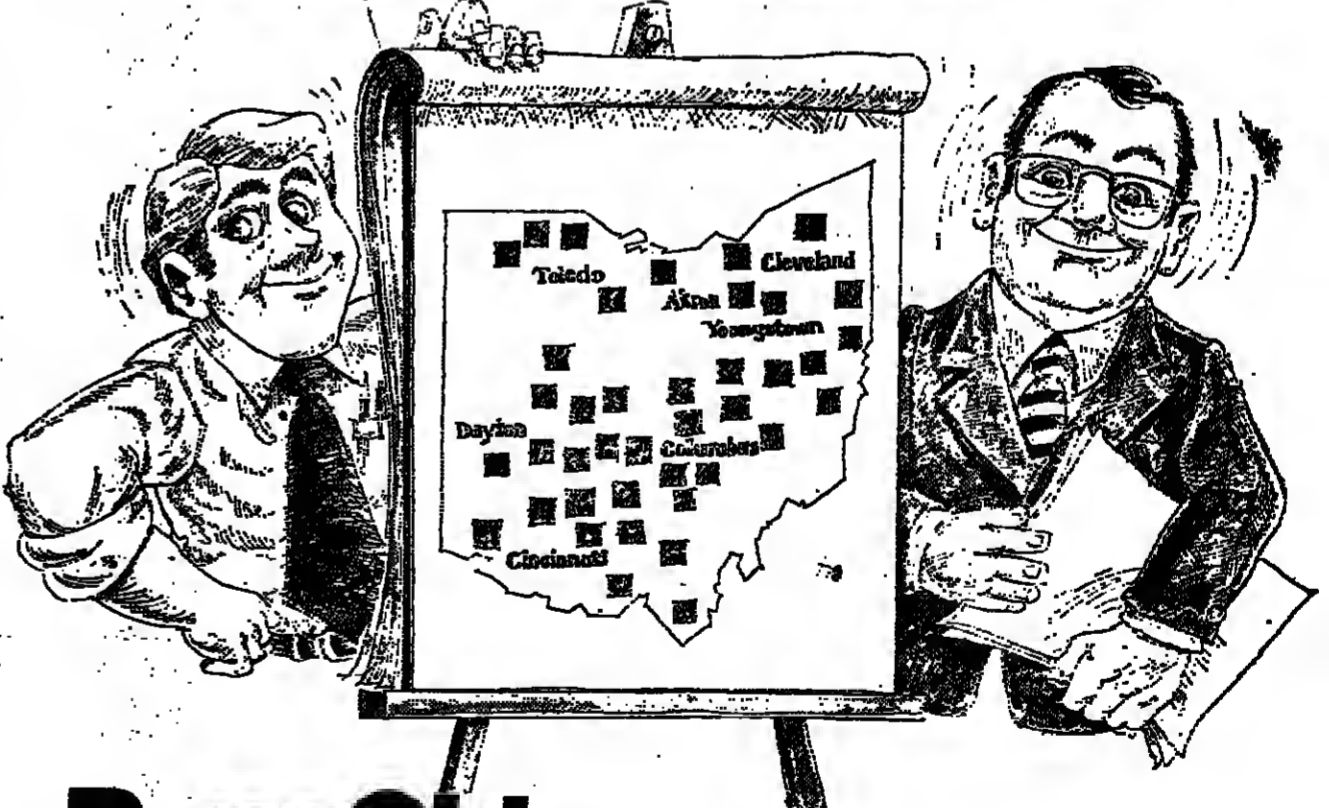
Arranged the necessary financing for Hall Chemical Company's worldwide exports.



Provided \$600,000 for a sale of diesel engines to Australia.

CLEVELAND TRUST The bank that makes things happen.

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BancOhio responds.

If you're considering doing business anywhere in Ohio, contact us first. We're Ohio's largest family of banks.

With 41 banks and more than 200 local offices, we can give you an insider's view of any area in the state, right down to neighborhoods.

In fact, many of us are lifelong residents of the communities we serve and actively participate in local governments. This gives us intimate knowledge of labor conditions, land and building costs, energy sources, transportation facilities and the tax climate. Because we are part of the multi-billion dollar

BancOhio Corporation, any of us is capable of providing all the sophisticated funds management, banking services and financial expertise your company will ever need.

When you work with one of us, all of us are working for you. So, if you're interested in doing business in Ohio, talk to BancOhio.

We'll respond by opening the right doors for you. Call Fred Mussler, our International Banking specialist at 614-463-7335, or write: BancOhio Corporation, 155 East Broad Street, Columbus, Ohio 43265. Telex: 246 610 Cable Address: OHIONAT COL

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OHIO IV

# Cleveland: a perplexing picture

ALMOST THREE million people, close to one-third of Ohio's population, live in the seven county area around the industrial city and port of Cleveland. The city itself, with a population which has shrunk from 914,000 in 1950 to around 640,000 now, ranks third behind New York and Chicago as a headquarters for some of the largest industrial corporations in the country—a dozen of them with sales over the billion dollar mark.

Just as important throughout the Cleveland region are major manufacturing and engineering plants created by these companies and by businesses such as Ford and General Motors and the hundreds of smaller local engineering concerns. It is this pattern of industry, and the remarkable scene the city itself presents, with steel mills belching smoke from what would

seem to be the very heart of the city, that has coloured the nation's image of Cleveland. That image was not improved in 1969 when the river that cuts Cleveland in two, the Cuyahoga, went up in flames and was officially declared a fire hazard. Politically Cleveland has represented just as perplexing a picture to the world. In 1966 and again in 1968 it was the scene of some of the worst urban race riots in the country, the most notorious of which became known as the "Shoot out at Glenville."

Even though race relations in this intensely ethnically conscious and divided city deteriorated to such a degree, in 1967 Cleveland became the first major U.S. city in which a majority of white voters elected a black mayor—Mr. Carl Stokes. Stokes won just enough support from the business com-

munity and a section of the buried and hidden in acres of parkland. Past the wealthy suburbs, however, you run into the rutting ghetto core of the city and then into the ageing downtown area.

Unlike New York City, Cleveland still has its single-A bond rating and its crisis is more economic than financial since it has not borrowed its way into a mountain of unsupportable debt, and its budgets are balanced. It helps that the State meets the welfare bills for the destitute.

But the migration from the city centre—mainly by those who can afford to move to the white suburbs—and the steady decline in the city's manufacturing base when coupled with its inadequate tax revenue and heavy dependence on U.S. government funds are apocalyptic about the city's future, however.

Cleveland is socially and economically unstable. Later this month, for example, unless special rescue arrangements are made, the city's public schools will close for the rest of the year because they have no funds to carry on Cleveland's voters, like so many voters in so many of Ohio's districts, have to specifically approve tax increases and in recent years they have refused to do so and thus allow the city to raise the funds to meet rising costs. The position of the schools promises to deteriorate further because of the threatened costs of court-ordered integration of the races in its schools.

According to Professor Richard Knight of the College of Urban Affairs at Cleveland State University it is easy to get too apocalyptic about the city's future, however.

The decline of manufacturing industry in the city is, he suggests, a reflection of the changing structure of the U.S. economy. It is no longer economic for manufacturing plants to be located in multi-story buildings in the centres of cities. More flexible transport methods and energy supplies, and the dispersal of industry over the whole nation to be near its markets are just some of the factors contributing to this decline.

## Imagine a U.S. market the size of the U.K., France, and one-third of W. Germany....

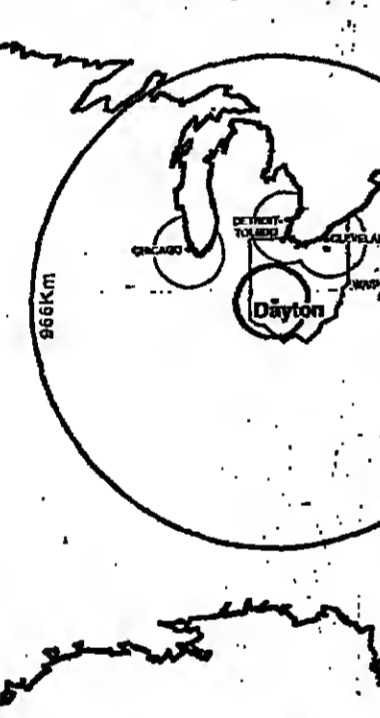
That's Dayton... Your single best location in the heartland of the United States.

This is what Dayton's central location can do for you in America. Consider Dayton's "90-Minute Market." Within ninety minutes driving time on modern super-highways, it is possible to reach a market of 4.1 million people. As Table II illustrates, that makes Dayton the 10th largest "90-Minute Market" in the U.S.

Then consider Dayton's "Sec-

ond-Morning-Service Market" (a radius of about 966 Km). With 133 million people (the combined populations of the U.K., France, and one-third of W. Germany) it's the largest of America's top ten markets (as illustrated in Table I).

Of course, population isn't the only measure of market size, and Dayton's "Second-Morning-Service Market" leads in some other important ways, too. For example it includes:



65% of all U.S. business establishments  
75% of all U.S. employment  
71% of the nation's manufacturing

These are just a few of the reasons why more and more companies are locating in the heartland of the American market. We would like to send you our Dayton "90-Minute Market" booklet that tells all the advantages Dayton offers as a center for distribution, service, and manufacturing. For your copy, contact: Dudley P. Kircher, Dayton Development Council, 1940 Winters Bank Tower, Dayton, Ohio 45402 U.S.A.

TABLE I  
THE TOP TEN—90-MINUTE MARKETS (Ranked by Population)

Rank	City	Population of 90-Minute Market
1	New York	17.3 million
2	Los Angeles	10.3 million
3	Chicago	8.4 million
4	Philadelphia	8.4 million
5	Boston	6.8 million
6	Detroit-Teledo	6.3 million
7	San Francisco	5.3 million
8	Washington, D.C.-Baltimore	4.9 million
9	Cleveland-Akron	4.2 million
10	DAYTON	4.1 million

TABLE II  
THE TOP TEN—90-MINUTE MARKETS (Ranked by size of Second-Morning-Service Market)

Rank	City	Population of Second-Morning-Service Market	Percent Total U.S. Population
1	DAYTON	133 million	62%
2	Cleveland-Akron	130 million	61%
3	Detroit-Teledo	129 million	60%
4	Washington, D.C.-Baltimore	116 million	54%
5	New York	92 million	43%
6	Chicago	80 million	37%
7	Philadelphia	88 million	41%
8	Boston	69 million	32%
9	San Francisco	26 million	12%
10	Los Angeles	24 million	11%

Sources: Computations based on 1976 Sales & Marketing Management Survey of Buying Power. All figures exclusive of Canadian population.

## the unexpected in DISCOVER DAYTON

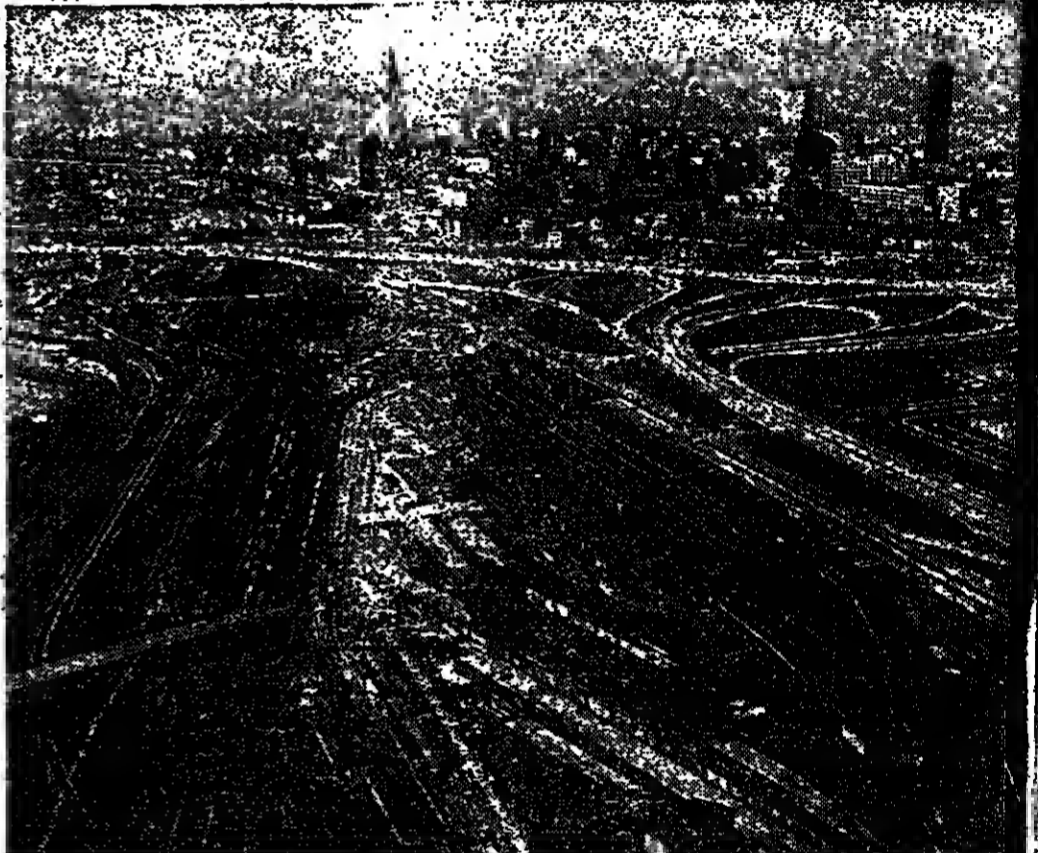
Sponsored by the Montgomery County Commission and the Montgomery County Community Improvement Corporation.

### Evolve

Professor Knight argues that whatever the position of other cities facing such problems, Cleveland is well placed to cope with the change and evolve alternative development strategies to ensure its economic viability. He points out that Cleveland is going through what he sees as a transition—albeit, a painful one—as it adjusts to the new role it can develop as a service centre.

He points out that while manufacturing employment is in decline service employment is growing. The strength of the city is its base as a headquarters for major multinational corporations, its large banking, community, influential law- and accounting firms and other service industries related to business headquarters activity such as computers. The medical industry has grown remarkably, too, in part because of the Cleveland Clinic.

On this optimistic view of the future Cleveland's problems lie in part in dealing with the transition, and this involves recognising what is going on and adjusting to it, for example by adjusting the education system



A maze of roads and railways in Cleveland.

## Industrial warning to business leaders

OHIO'S BUSINESS community forces in attracting business. is widely considered to be one of the most internationally diversified in the U.S. It is not just that companies like Firestone, the Akron-based tyre company, for example, has largest manufacturing facilities in 28 countries, sells its products in 128 countries and draws about one-third of its \$4bn. sales revenues from foreign sources. The State has also attracted large amounts of direct foreign investment, perhaps the largest of which is British Petroleum's interest in the Standard Oil Company of Ohio. There are many other examples, however. The Swiss food company Nestlé has important interests based in the State. And one of the most controversial foreign takeovers in recent years occurred in Ohio—the purchase by Imetel, the French group controlled by the Rothschild family, of Copperweld.

Only this month the State announced that another major foreign direct investment had been agreed. Honda, the Japanese motor industry group announced that it has decided to locate its first U.S. manufacturing facility in Ohio near the State capital of Columbus. State officials hope that the site will eventually develop into a car assembly operation, although initially it will produce motor cycles.

For Ohio's Government officials the Honda decision is an important coup and provides some compensation for their failure last year to persuade Volkswagen to locate in the State—a failure they attribute to the substantial cheap loans offered by Pennsylvania, the banks in spite of the holding State that VW decided on.

The Honda decision will, it is hoped, encourage more foreign direct investment, for it can be taken as an indication that Ohio's advantages of central market location, skilled labour and automotive engineering base, are important

in dealing with Ohio's multinationals. In the meantime there is evidence that more banks are taking a growing interest in international operations, partly through increased trade financing.

While Ohio's banks have based most of their expansion in the State, its manufacturing companies have spread across the U.S. as well as around the world. This is a trend the State government has been concerned about—as have other north western states—since the movement of jobs to other parts of the country can have a depressing effect on the local economy. State officials have realised that historically Ohio are bringing these perhaps 80 per cent of new capital investment in Ohio has been generated by businesses already in the State. So while continuing to try to attract new businesses to the State, they realise that it is just as important to ensure that those who are still there continue to expand.

The explanations offered by Ohio's businessmen for decisions to locate new plants outside the State, particularly in the Sunbelt States of the south and south-west, vary. Some freely admit that they are attracted by the tax and development incentives offered in southern states, in particular. They argue, too, that while Ohio's labour force is highly skilled, training workers in southern states of the country is not the hurdle to locating plants there that some imagine. They do not feel either that they lose much by way of lower productivity of workers in these newly industrialising regions of the country. On the contrary some claim that the "work ethic" is just as strong or stronger.

Moreover they frequently do not have to deal with powerfully entrenched trade unions as they do in States like Ohio, which have been the birthplaces of the

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Central National Bank of Cleveland Consolidated Balance Sheet.  
(In Thousands of Dollars)

Assets	June 30, 1977	Liabilities	June 30, 1977
Loans	\$ 843,748	Deposits	\$1,335,030
Due from Banks—Time	313,407	Borrowed Funds	421,131
Securities	474,007	Other Liabilities	48,722
Cash and Due from Banks	295,478	Total Liabilities	1,804,883
Other Assets	65,532	Capital	128,350
Total Assets	\$1,992,172	Total Liabilities and Capital	\$1,933,233

**Central Bank**  
Central National Bank of Cleveland Member FDIC

*John J. ...*

# The Management Page

EDITED BY CHRISTOPHER LORENZ

## Geoffrey Owen describes how a major company diversified in an attempt to deploy a big cash surplus Tobacco man surveys his empire



Mr. Peter Macadam.

business where they can be confident of being as successful as they are in their traditional field? Besides, if they are already employing more than 200,000 people and occupy a dominant market position in several countries, do they want to make themselves still more politically exposed by becoming bigger—quite apart from the management strains that normally accompany giant size?

For Peter Macadam, who is now settling in as chairman of BAT Industries—he took over from Sir Richard Dobson last year—these are not academic questions. As the table shows, BAT has spent large sums on diversification over the past decade. Although the acquired companies, taken as a whole, have earned more than enough profits to cover their financing costs, the results cannot be regarded as brilliant. Non-tobacco operations account for nearly half BAT's assets but only a quarter of the profit.

LASSIC problem for the successful company in the industry is that it has more money than it knows what to do with. In it should return the cash to the shareholders, even if the directors to follow that taxation and other make it difficult for do so.

answer is to diversify. do they identify a

Part of the reason is that tobacco, despite all the external pressures, has turned out to be a much more resilient business than those who planned BAT's first diversification moves in the mid-sixties perhaps expected. It is, in fact, an extraordinarily good business to be in. To find another which offers the prospect of a comparable return, on a sufficient scale to make some impact on a company as big as BAT, is not easy.

Macadam would like to see the non-tobacco side providing 40 per cent of the profits instead of the present 25 per cent. That implies a substantial improvement in the performance of the paper, retailing and cosmetics companies which BAT already owns. But it also probably implies the need for a fifth leg to the group—if the present balance between tobacco and non-tobacco (in terms of assets) is to be retained. For the tobacco side is not standing still.

Macadam himself was brought up in the tobacco business; he knows that BAT is good at it. He has just shown his faith in tobacco in two ways—first by paying \$25m. to buy the overseas interests of Lorillard, the U.S. company, and second by launching an attack on the U.K. cigarette market. But at the same time he is thinking hard about the rest of the business—and pondering about that fifth leg.

Whatever it turns out to be, the choice will not be dictated by the same criteria which guided BAT's first diversification efforts. The idea behind the purchase of Yardley and other cosmetics companies during the 1960s was they were making no new money. Items such as toothpaste and perfume were seen as a safe way to diversify. The amount of fair and

### Pricing

force is more likely to strike. It was not surprising therefore that the "urge to merge" which has been a characteristic of the U.K. economy came under heavy criticism at the conference. "Given the increasing volume of evidence on the poor performance achieved by merging companies, society may be paying a high price for the increased concentration implied by high rates of merger activity," concluded one contributor.

A number of papers at the conference dealt with industrial concentration and the small firm. Among the main points were:

- 1—Aggregate industrial concentration is now considerably higher in the U.K. than in any other Western industrialised country. By the late 1960s, for example, half the U.K. labour force employed in manufacturing worked in enterprises of over 3,000 employees.

and of the trend towards increasing concentration in the economy—might question what public interest is being served by BAT's expansion into retailing, especially when it involves the takeover of medium-sized firms which seem perfectly capable of surviving on their own.

### Merger policy

If there was ever a change in merger policy, so that the acquirer had to prove a positive gain to the public interest from his proposed takeover, BAT's recent purchase of F. J. Wallis, a fast-growing supermarket chain operating mainly in Essex, is the sort of deal which might be challenged. But Macadam points out that there are economies of scale in this industry, that Wallis has suffered more than International from the Tesco-inspired price war, and that Wallis' customers will, in time, benefit from the merger with International. The future of Wallis was in any case in some doubt after the death of the company's founder and principal shareholder.

Macadam argues that by providing stronger competition to groups like Tesco and Sainsbury, BAT is doing the consumer a good turn. "We have only about 4 per cent of the retail-grocery market in this

country," he says. "Does that make us a monster?"

There are no lush profits in retailing, whether in supermarkets or in department stores. When BAT bought Gimbels and Saks, Fifth Avenue in the U.S., a good deal of rationalisation had to be done, by a new management, before a satisfactory return could be earned. More acquisitions will certainly be made, but the contribution which retailing makes to BAT's total profit will be pushed up only slowly.

Why does BAT need to get any bigger? Macadam is well aware of the drawbacks of size. He is not enthralled at the prospect of BAT becoming one of the 30 or 40 giants which, according to some predictions, will dominate the world economy in the early part of the next century. (BAT is No. 25, four places behind ICI, in Fortune magazine's list of the largest non-American industrial companies.) But like his predecessor, he believes that a business cannot stand still. A big company needs a momentum of growth if it is to stay healthy; if the existing businesses do not generate enough momentum, it has to come from elsewhere. Besides, the money-making machine on the tobacco side drives inexorably on; the cash has to be reinvested somewhere. Macadam does not intend to buy companies simply because they are cheap and available—a temptation to which many companies, including BAT, succumbed during the merger boom. Equally, he will have no qualms about disposing of businesses which have turned out to be bad buys.

Year	Company	Industry	Country of main operations	Price (fm.)
1964/5	Lentherie	cosmetics	U.K.	2
1967	Yardley	cosmetics	U.K.	29
1968	Germain Montell	cosmetics	U.S.	22
1970	Wiggins Teape	paper	U.K.	57
(BAT stake raised from 31% to 100%)				
1971	Horten (25.6%)	retailing	Germany	30
1972	Kohl (80%)	retailing	U.S.	32
1973	Intl. Stores	retailing	U.S.	48
1973	Gimbel Bros.	retailing	U.S.	85
1976	Plicarite	cosmetics	U.K.	12
1976	Jurena	cosmetics	Switzerland	5
1977	F. J. Wallis	retailing	U.K.	21

	T/over (%)	Assets (%)	Operating profit (%)
Tobacco	66	54	75
Retail	23	19	8
Paper	8	10	8
Cosmetics	2	2	7
Other	1	15	8

"As for the fifth leg, Macadam and his colleagues are looking a long way ahead. What will the world be like in the year 2000? What will be the right industry to be in? Will it be communications, or leisure, or construction, or food processing (which BAT tried to get into a few years ago), or agriculture or something which is not now recognised as an industry?"

Macadam is in no hurry to plunge into an entirely new field. With that money-making machine behind him, he can afford to take a long view. Whatever the results of his long-term planning, it will be a long time before tobacco is displaced as the jewel in his empire.

## Small is the need, but reality is mainly built on a grand scale

REASONS for the flurry of international seminars on the size of organisations staged by the Acton Society Trust of London, that the U.K. has a more concentrated industrial structure, and fewer small firms, than any of the competitor countries with which our industrial record is often unfavourably compared. What is more, this high concentration occurs despite a pronounced preference, expressed by individuals in Britain, for running their own business.

force is more likely to strike. It was not surprising therefore that the "urge to merge" which has been a characteristic of the U.K. economy came under heavy criticism at the conference. "Given the increasing volume of evidence on the poor performance achieved by merging companies, society may be paying a high price for the increased concentration implied by high rates of merger activity," concluded one contributor.

ness had done little to benefit the U.K. It was suggested for example, that:

- 1—Efficiency in production did not require anything like the enormous size that the largest U.K. companies have now attained, whereas beyond a certain size other factors like labour relations may incur higher costs; and at high levels of industrial concentration productivity may drop, perhaps due to lack of sufficient competition.

growth through merger than for expansion. No doubt Sir Harold and his colleagues are examining just this question.

But other answers emerged. For example, the U.K. may, for whatever reason, have a surplus of people able or willing to become final decision-makers (this might relate both to the lower number of small firms here and to the large size of our companies in terms of output). Also, there may be a strong worker/trade union preference for larger firms, simply on the grounds that larger enterprises tend to pay higher wages.

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2—At the other end of the scale, despite much higher wage levels, France and Germany have five or six times as many firms employing over 200 employees, compared with the U.K. Japan, Sweden, France and Sweden employ more than half their manufacturing workforce in medium-sized factories: with less than 200 employees, compared with the U.K. than in little more than a quarter here.

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During 1977, CAROL—short for Caribbean Overseas Lines—will provide frequent and regular sailings of specially built 21-knot container ships from Bremerhaven, Hamburg, Amsterdam, Antwerp, Tilbury, Le Havre and Liverpool direct to as many as 10 Caribbean ports: Bridgetown (Barbados), Port of Spain (Trinidad), Oranjestad (Aruba), Willemstad (Curacao), San Juan (Puerto Rico), Rio Haina (Dominican Republic), Port au Prince (Haiti), Kingston (Jamaica), Santo Tomas de Castilla (Guatemala), and Puerto Cortes (Honduras).

The Harrison Line has, of course, specialised in the Caribbean for decades. So now you can benefit both from its wide, detailed knowledge of the area and from the advantages of containerisation.

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The Japanese onslaught on American TV makers

By JOHN WYLES, in New York

Holding up well

THE FIRST and provisional estimate of retail sales in September is reasonably encouraging. Volume, seasonally adjusted, seems to have fallen a little from an index of 107.2 to one of 106.5...

CONSPIRACY AND rape are words rarely used to describe the origins of an industrial crisis. But in the last few years they have become almost stale from overuse by top executives of American colour television manufacturing companies...

Assembly plant

The American television manufacturers' case is familiar to European ears and especially relevant at a time when Hitachi's request to build a U.K. manufacturing and assembly plant is the cause of so much controversy.

Import duties

Acting on a complaint from the industry, the International Trade Commission launched an unfair trading investigation last year, and even before completing it concluded at the beginning of this year that so much damage was being done to the domestic industry that import duties on colour sets should be raised from 5 to 25 per cent.

Controlling interest

Perhaps more significantly Motorola's television assets were acquired by Matsushita in 1974, adding an 8 per cent share of the market to the 2 per cent enjoyed by its Sansyo subsidiary. Finally, Pansonic last year picked up a controlling interest in Warwick Electronics which supplied the Sears private label and accounted for just under 10 per cent of the market.

Not the way to manage Leyland

WHATEVER THE outcome of case with other nationalised industries, then its ability to proceed with the capital investment programme — or indeed a new system of company-wide wage bargaining — would be seen that present arrangements for channelling public funds to the company are wholly unsatisfactory.

Warnings

At the same time the management in trying to push through reforms in collective bargaining procedures, has issued dire warnings about the consequences for the workforce if the reforms are rejected. Even if these threats prove effective at to-day's meeting, it is not at all certain that an agreement in principle on company-wide bargaining will produce a rapid improvement in industrial relations or in productivity.

MEN AND MATTERS

The bwanas' great white way

South Africa's attempts to pursue the policy of separate development to its logical conclusion, and create independent black states out of tribal homelands, are producing an unforeseen backlash from the government's most dedicated supporters.



The reason is that they resent being pulled up for traffic offences when they drive through neighbouring Lebowa, the tribal Bantustan bordering their farms, by black traffic policemen. A complaint lodged by the local provincial councillor with a magistrate has brought no joy: they will have to learn to live with it, he was told.

"They've been riding around these parts for years. Now they find they often have to drive through parts of Lebowa, a Bantu area with Bantu laws and Bantu traffic cops."

A bit extra With Christmas looming, wages and salaries restrained and lower taxation still a will-o'-the-wisp, it's a boom time in the incentives business.

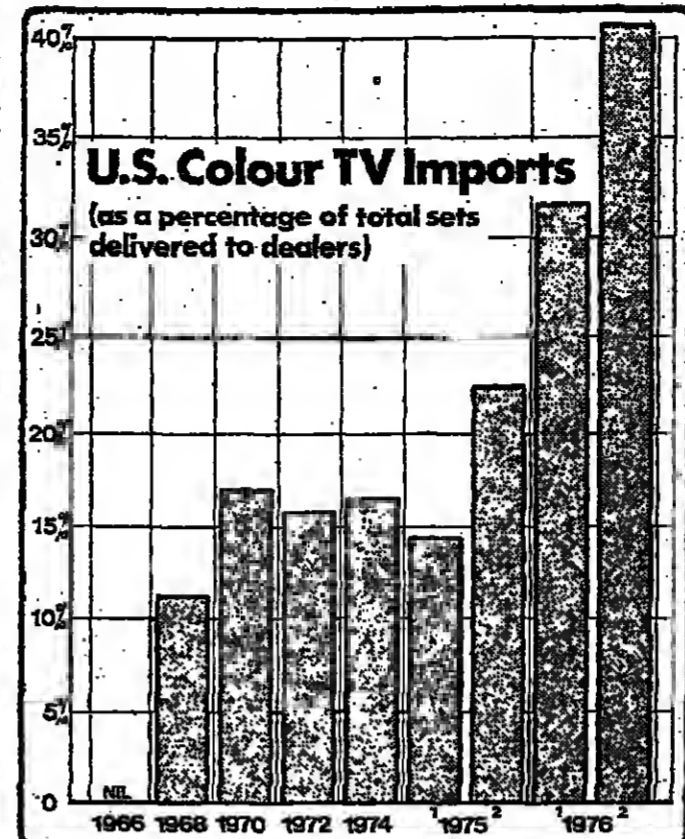


Table with 4 columns: Year (1972, 1974, 1976, 1977 estimate), Company (Zenith, RCA, Sanyo, Sony, Magnavox, etc.), and Sales percentage.

secret of its reluctance to emigrate but was finally pushed by a determined round of price cutting this year by RCA, which has all the strength of a diversi-

position they merit a strong because of technical superiority and full-blooded manufacturing efficiency. Zenith, as spokesman for the U.S. industry, denies neither Japanese technical strength nor manufacturing efficiency. But it claims with some justice that consumer ratings do not support the view that the Japanese are beating the American industry on quality.

EUROPE AGENCE INTERNATIONALE D'INFORMATION POUR LA PRESSE LUXEMBOURG BRUXELLES

PRIME MINISTER CALLAGHAN SAID IN BRIGHTON that "it is our responsibility to work for reform of the Community's policies and the manner in which its institutions operate..."

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Handwritten signature 'John Wyles' at the bottom of the page.







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MINING NEWS

# East Drie points to the way ahead

By KENNETH MARSTON, MINING EDITOR

BEST performance in the and East Rand Proprietary have the September quarterly each received £185 for their to be announced by the bullion last quarter against \$141 African gold producers previously.

This, coupled with higher costs, s from the Consolidated Gold group's young East Drie mine. A new record before State aid, but ERPM has been to increase output and red thanks to further use in production.

quarter East Drie's output an average of 199,000 tons a month on the way the plant's rated capacity of 200,000 tons. At the same time old grade rose while costs held in check, leaving the as still the lowest-cost gold er in the industry.

ing the past quarter East gain received an average of £185 per ton compared with \$140 in the us three months. In any quarter, prices received by dual mines can vary quite but it looks as though the y average obtained in the ber quarter would have round \$140 compared with the previous three months.

little in the way of work- off increases should have pected for the general run uses in the September quarter.

The current quarter r, should bring a much exciting harvest if the price is maintained at its current level of \$180. ing costs of the other 'olds' mines during the ree months have been by the shorter 11-shift fortnight and the August of wage increases. ERPM so refoemtein has increased its surplus thanks to o in uranium revenue.

THE STRUGGLE for control of Australia's large coal resources to Queensland has intensified with CSR lifting its takeover offer for the AAR mining group, reports our Sydney correspondent.

The Board of AAR, which has substantial coal interests, including the major stake in the \$A300m (£507m) Ball Creek coking coal project, had resisted the earlier offer from CSR, the Conzinc Riotinto of Australia, the major local offshoot of Rio Tinto-Zinc of the U.K. disclosed last week that it wished to make a counter offer for AAR and had applied to the Foreign Investment Review Board for permission to go ahead with an offer.

CSR originally offered \$4175 cash for each AAR share, or two CSR shares plus \$A256 cash for every five AAR shares, valuing the company at about \$A41m.

CSR has now upgraded its bid to \$4200 cash, or one CSR plus \$A150 cash for each five AAR shares. CSR shares closed in Sydney yesterday at \$A2.05, making the share and cash alternative worth \$A2.42 and valuing AAR at more than \$A400m.

CSR is also currently holding negotiations for the Now South Wales coal field. The group's registered office Argall Avenue, E. November 9 at noon.

## CSR lifts its bid for AAR

employment coupled with pressure on disposable incomes. Norway, with a severe decline in demand, would call for a shift in working for reductions but the group maintained its workforce at the same level and this is reflected in the increase from \$15m to \$1.9m in stock and work in progress at the year end.

Meeting, the group's registered office Argall Avenue, E. November 9 at noon.

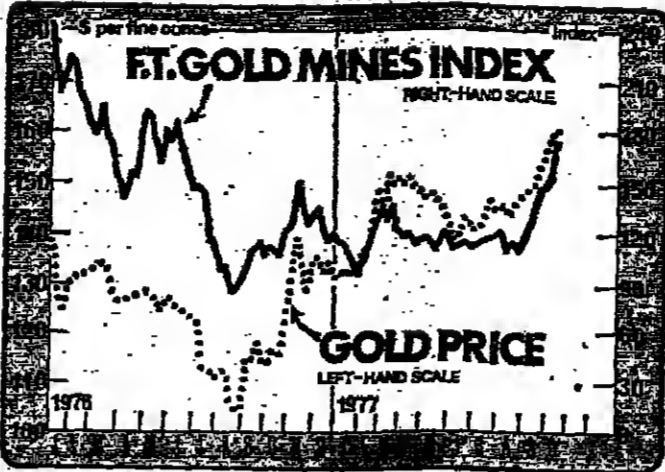
## CANADA WARNS ON URANIUM

Canada has warned that its uranium will not be sold cheaply. Mr. Alastair Gillespie, the Minister of Energy, Mines and Resources, said that policy on exports will require that shipments go out at "the world price" or, in other words, the highest possible price for the producers.

He noted that long-term contracts "merely commit" Canadian producers "to deliver specified quantities of uranium at specific times."

But Mr. Gillespie added that since the deliveries are of particular date, the Government believed that the price paid should be that in effect of the date of delivery.

Current spot market prices for uranium oxide are more than \$41 (£23) a pound, but long-term contract prices are thought to be between \$20 and \$30 a pound.



The price of gold gained further strength yesterday, closing in London \$125 up at \$140 per ounce. This brought a renewed demand for South African gold shares. Prices advanced across the board to close at the day's highest levels, lifting the Gold Mines index by 12.6 to 174.0.

In Johannesburg, Mr. Robin Plumbridge, a deputy chairman of Gold Fields of South Africa, said that the bullion markets were in a very strong position and did not appear to be subject to major speculative activity. He reckoned that both investment and industrial demand were working together to bolster the price.

He hoped that world inflation worries and the weaker U.S. dollar did not produce strong speculative buying that might upset the present very firm underlying industrial demand. Ideally, he added, the mines and the jewellery trade would prefer a gently rising price.

He saw the threat of U.S. Treasury sales as the major uncertainty in the market but said that there did not seem to be the same sense of urgency to sell as when gold was seen as a competitor to the dollar. Any U.S. selling on a strong market, however, should be viewed as a stabilising factor and as such would be welcomed by the industry, he concluded.

# LOCKWOODS FOODS

Further progress expected

- Salient points from the circulated statement of the Chairman, Mr. Philip B. Lockwood.
- An Ordinary Dividend of 3.68852 pence is proposed which is the maximum permitted.
  - Deferred taxation position reviewed in accordance with recent recommendations resulting in an additional transfer to capital and revenue reserves of £1,238,000 and an £81,000 lower provision for current taxation.
  - Total sales of canned fruits and vegetables expanded in spite of drought conditions. A long hot summer caused very substantial increase in sales and profitability of carbonated drinks.
  - U.K. production of canned meat below target, but should ultimately benefit from rationalization carried out over past two years. Improved production and profitability achieved by meat canning factory in Holland.
  - Our freezing activities are growing slowly while we gain experience of all aspects of the market which will prove of great benefit when we consider the time appropriate for expansion.
  - While trading conditions are competitive, I feel confident that with a larger production and throughput, we can expect further progress in the current year.

## GROUP SUMMARY OF RESULTS

	1977	1976
Profit before Taxation	£200	£200
Provision for Net Taxation	2,241	1,942
Profit after Taxation	1,146	1,013
Earnings per Ordinary Share	18.42p	15.55p

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when the Government... relate the economy... (Leyton) is confident... to meet any demand... Frank Austin, chairman... to stimulate trade... s produced new ranges... furniture at competi... Initial deliveries have... been made to the retail... the chairman says that... s trading for the next... his will depend on the... of the public, which is... the effect of Govern... on in dealing with the... of the economy... ended June 30, 1977... ore tax, improved from... £537,726 although the... of the first half was not... The chairman explained... hat the sudden down... length of time taken to... trade which occurred... onwards came without... This was a reflection of... tion, increased un-state.

## SUPARA ACCOUNTS DELAYED

The directors of Supara Invest... ments regret that accounts cover... ing the year to March 31, 1977... will not be published within the... period of six months from that... date. The delay is once again... occasioned primarily by the... length of time taken to obtain... final accounts from the company's... four operating subsidiaries in... Indonesia and Malaysia, they... increased un-state.

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## INTERIM RESULTS

(26 weeks - unaudited)

	24th Sept. 1977	25th Sept. 1976	Increase
	£'000	£'000	
as (excluding VAT)			
Revenue	41,787	32,231	30%
Operating	4,908	3,500	38%
Finance	3,248	-	-
Profit	49,943	35,731	40%
Profit before Tax	5,882	4,720	25%
Operating	574	396	45%
Finance	(33)	-	-
Profit	6,423	5,116	26%
Operating	3,075	2,457	25%
Finance	310	221	41%
Profit	3,385	2,678	26%
Profit after Tax	3,038	2,458	25%

on UK audited profits has been calculated at 52% (1976 52%).

Directors have declared an interim dividend on the ordinary shares of 10-18% (1976 9-11%), which is equivalent to 15-42% (1976 14-02%). It will be paid together with the net deferred dividend for 1977 of 26.25% (1976 -) on the 3rd January 1978 to shareholders on the register at 25th November 1977. The net dividend absorbed by both dividends is 57.2, 571 (1976 550,468).

Accounts of the European subsidiaries are for 26 weeks to August 1977 (26 weeks to 28th August 1976) and those of Supara Stores Inc. (USA) for 26 weeks to 2nd July 1977 (consolidated 1976).

Reports for the six months amounted to \$4,726,000 (1976 \$4,000) of which \$2,951,000 (1976 £1,938,000) were attached to the group companies overseas.

In six months the two Leeds stores were restyled into one larger bringing the total number in the UK to 188. Europe remained unchanged at 13 stores. In the USA one Mother-to-be store was closed as planned and 19 new Mothercare stores opened, bringing the total number of stores to 128.

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BIDS AND DEALS

Blagden agrees £5¼m. for W. W. Ball

Talks between Blagden and Noakes and W. W. Ball, first...

Lafarge SA of France (Lafarge's parent company) continue to improve...

TALKS END AT MINING SUPPLIES

The approach made to Mr. Arthur Snipe, the chairman and managing director of Mining Supplies...

DB-VOSPER ACQUISITION

David Brown-Vosper (DB-V) has acquired the Mainwork off-shore oil maintenance and support services company.

U.K. LOSSES STILL HOLDING BACK LAFARGE

Heavy losses on the U.K. buildings materials side are continuing to hold back profits at the Lafarge Organisation...

MONEY MARKET

Interest rates steady

Bank of England Minimum Lending Rate 5 per cent. (since October 14, 1977)

Table with columns: Oct. 17 1977, Sterling Certificate of Deposit, Interbank, Local Authority Deposits, Finance House Deposits, etc.

vious week, and this also added to a general feeling that M.L.R. is unlikely to move any lower this week.

Each other over Government disbursements, repayment of the medium amount lent to the market on Friday, and the monthly special deposit adjustment.

Discount houses paid 4½ per cent. for secured call loans at the start...

In the interbank market overnight loans opened at 4¼ per cent. and eased to 2½ per cent. in late trading...

Interim Dividend Announcement and Statement for the Half Year Ended 30th June 1977

NEW BUSINESS AND PREMIUM INCOME FOR THE HALF YEAR (estimated and unaudited)

Table with columns: 1st half 1977, 2nd half 1976, 1st half 1976. Rows: New annual premiums, New single premiums, New initial commissions, New sums assured, Total annual premium income, Total assets.

\* As pointed out in the Offer for Sale document dated 18th July, 1976, new annual premiums for the first half of 1976 included the exceptionally large sales of a particular type of policy...

Current Business and Trends Since 30th June, new business has been running significantly ahead of business during the corresponding months of 1976.

Hambro Life Assurance

7 Old Park Lane, London W1Y 3LJ, Tel: 01-499 6031

Share stakes

South Crofty: Mr. P. C. Buchanan, chairman, has been allotted 3,000 Ordinary shares; Mr. G. C. Pedgley, managing director, 10,000.

Local authorities and finance houses

Local authorities and finance houses have a steady flow of deposits. Local authority deposits are normally three years 6½ per cent.

Long-term local authority mortgage

Long-term local authority mortgage rates normally three years 6½ per cent. to five years 7½ per cent.

Wood Bastow Board say 'Yes' to Celestion offer

WOOD reproduction equipment and clothing manufacturer, Celestion Industries, is making an offer for Nottingham-based Wood Bastow, which complements its own underwear and foundation garment interests.

Henceforth Star will also take an active interest with Gals in the acquisition of new products and be associated on the distribution end, this being an amalgamation which is viewed with great optimism by both companies.



Rand Mines Limited Gold Mining Company and Colliery Reports for the Quarter ended 30th September 1977

Office of the Secretaries of the undermentioned companies in the United Kingdom: 40, Holborn Viaduct, London EC1P 1AJ.

HARMONY GOLD MINING COMPANY LIMITED

Table with columns: Issued Capital, Operating Results, Development, Dividend, Capital Expenditure, General.

ELYVOORUITZICHT GOLD MINING COMPANY, LIMITED

Table with columns: Issued Capital, Operating Results, Development, Dividend, Capital Expenditure, General.

WELGEDACHT EXPLORATION COMPANY, LIMITED

Table with columns: Issued Capital, Operating Results, Development, Dividend, Capital Expenditure, General.

EAST RAND PROPRIETARY MINES, LIMITED

Table with columns: Issued Capital, Operating Results, Development, Dividend, Capital Expenditure, General.

DURBAN ROODEPOORT DEEP, LIMITED

Table with columns: Issued Capital, Operating Results, Development, Dividend, Capital Expenditure, General.

WITBANK COLLIERY, LIMITED

Table with columns: Issued Capital, Operating Results, Development, Dividend, Capital Expenditure, General.

SMITH BROS. BID LAPSES FOLLOWING REFERRAL

The £2.8m. bid by Smith Bros. for Bisgood Bishop, which would have created a large new stockholding group...

SPINK TALKS MOVING SLOWLY

Merchant bankers, Lazard Brothers, continued yesterday what they were active as Spink and Sons' advisers for Spink and Sons' continuing talks which 'may or may not lead to a merger proposal'.

STAR/GALA LINK-UP

The Star Group of Companies, Gala Film Distributors, has come together in an association which will have a major impact on the bearing of future West End release patterns and wide implications throughout the whole field of exhibition and distribution.

NEB TAKES 49% STAKE IN NORTH EAST RADIO

The National Enterprise Board is investing £400,000 in North East Radio, thus enabling the Tyne-side company to make an acquisition. The investment will give the NEB 49 per cent. of the equity of North East Radio...

OCEAN TRANSPORT £1.8m. EXPANSION

Ocean Transport and Trading has acquired the P and M and Transflash Group of companies of Bradford, for around £1.8m. P and M and Transflash operate forwarding and international road transport services.

COAL PRICE

Revenue was reduced by a levy of R1,683,000 relating to the cost of the coal delivered at Richards Bay. A dividend of R1,371,000 received in respect of the company's shareholding in Richards Bay Coal Company (Proprietary) Limited. This dividend has been included in the interim dividend.

GENERAL

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This announcement appears as a matter of record only.

September, 1977.



BANCO NACIONAL DO DESENVOLVIMENTO ECONOMICO

U.S. \$141,500,000 Deutsche Mark 42,600,000 Yen 12,000,000,000

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FINANCIAL AND COMPANY NEWS

NESTLE'S BID FOR ALCON

A move into pharmaceuticals

BY JOHN WICKS, IN GENEVA

THE PROPOSED take-over of Alcon Laboratories by the Nestle group marks the Swiss company's entry into the pharmaceutical industry. Apart from a very small proprietary medicine operation run by the French tolietries company L'Oréal, in which Nestlé holds a stake, the group has hitherto never been associated with pharmaceutical production as such.

AMERICAN NEWS

\$20m. rise at Philip Morris

AN INCREASE of nearly \$20m. in third quarter net income is reported by Philip Morris Inc. On sales up from \$1.1bn. to \$1.4bn., net income rose from \$74.5m. to \$94.1m., or from \$1.29 per share to \$1.57.

Profits soar at Du Pont

DU PONT Company net profits rose 40 per cent in the third quarter, to \$143m., or \$2.91 a share, from \$101m., or \$2.03 a share, in the same period of 1976—with sales increasing to \$2.4bn. from \$2.1bn., agencies report.

THE BOUSSAC EMPIRE

Another rescue plan for CITF

THE FRENCH GOVERNMENT is preparing a new package of financial aid for the textile empire controlled by M. Marcel Boussac. Without new assistance, it seems virtually certain that the bankruptcy of the group, which is an important employer in the already depressed textile area of Eastern France, will be only a matter of time.

Table with columns: STRAIGHTS, SELECTED EURODOLLAR BOND PRICES, MID-DAY INDICATIONS, CONVERTIBLES. Lists various financial instruments and their prices.

This announcement appears as a matter of record only.

HYUNDAI SHIPBUILDING AND HEAVY INDUSTRIES CO., LTD.

US\$ 26,800,000

7 year loan

Marine Diesel Engine Plant at Ulsan, Republic of Korea

- guaranteed by KOREA DEVELOPMENT BANK managed by LLOYDS BANK INTERNATIONAL LIMITED COMPAGNIE LUXEMBOURGEOISE DE LA DRESNER BANK AG

- provided by Australian International Ltd. Banque Internationale à Luxembourg S.A. Compagnie Luxembourgeoise de la Dresner Bank AG

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

MONTEFIBRE AFFAIR

Italy's Prime Minister intervenes

By PAUL BETTS

ITALIAN Prime Minister, national employers' confederation, Giulio Andreotti, has intervened personally in what could be the most serious industrial crisis in the country's major industries...

ROME, Oct. 17. The Montefibre affair has now assumed a symbolic quality. The threatened 5,000 redundancies will hit, in particular, the northern region of Piedmont...

Daimler-Benz hopes to hold profits

By Guy Hawtin

FRANKFURT, Oct. 17. DAIMLER-BENZ, in its interim report on the opening nine months of the year, complains that rising labour and raw material costs have hit profits...

Arbed loses £34m. and warns on second half

By DAVID SUCHAN

LUXEMBOURG, Oct. 17. ARBED, Luxembourg's biggest steel producer, has announced a first half loss of £34m. against a profit of £10m. in the same period of 1976...

first half strength at carpenter

By M. FORTH

SYDNEY, Oct. 17. CARPENTER Holdings, a diversified industrial group with interests in illuminated signs, wines, insurance, finance, property, island trading, and also a large, boosted earnings of 21 per cent...

SCANDINAVIAN NEWS Earnings fall at PK Banken

By WILLIAM DUFFLORCE

STOCKHOLM, Oct. 17. PK BANKEN, the State-owned commercial bank, reports a 53 per cent fall in earnings to Kr.309m. (£36.4m.) for the first eight months...

ing director, Mr. Björn Wahlström, expects the loss for the whole year to be around Kr.400m. (£47m.). Two per cent of the fall in turnover stemmed from lower prices, and seven per cent from the reduction in volume...

Another setback in retailing

By RICHARD ROLFE

JOHANNESBURG, Oct. 17. THE NOW-FAMILIAR story of falling profit margins continues to afflict South African retailers, with Scotts Stores, one of the most progressive, showing a sharp fall in its trading for the six months to end-August...

Concern at Oy Wartsila

By LANCE KEYWORTH

HELSINKI, Oct. 17. OY WARTSILA AB's interim report for the period ending August, 1977, shows an increase in total turnover of 16 per cent to F.Mk.1.1bn. (some £146m.) compared with the first eight months of 1976...

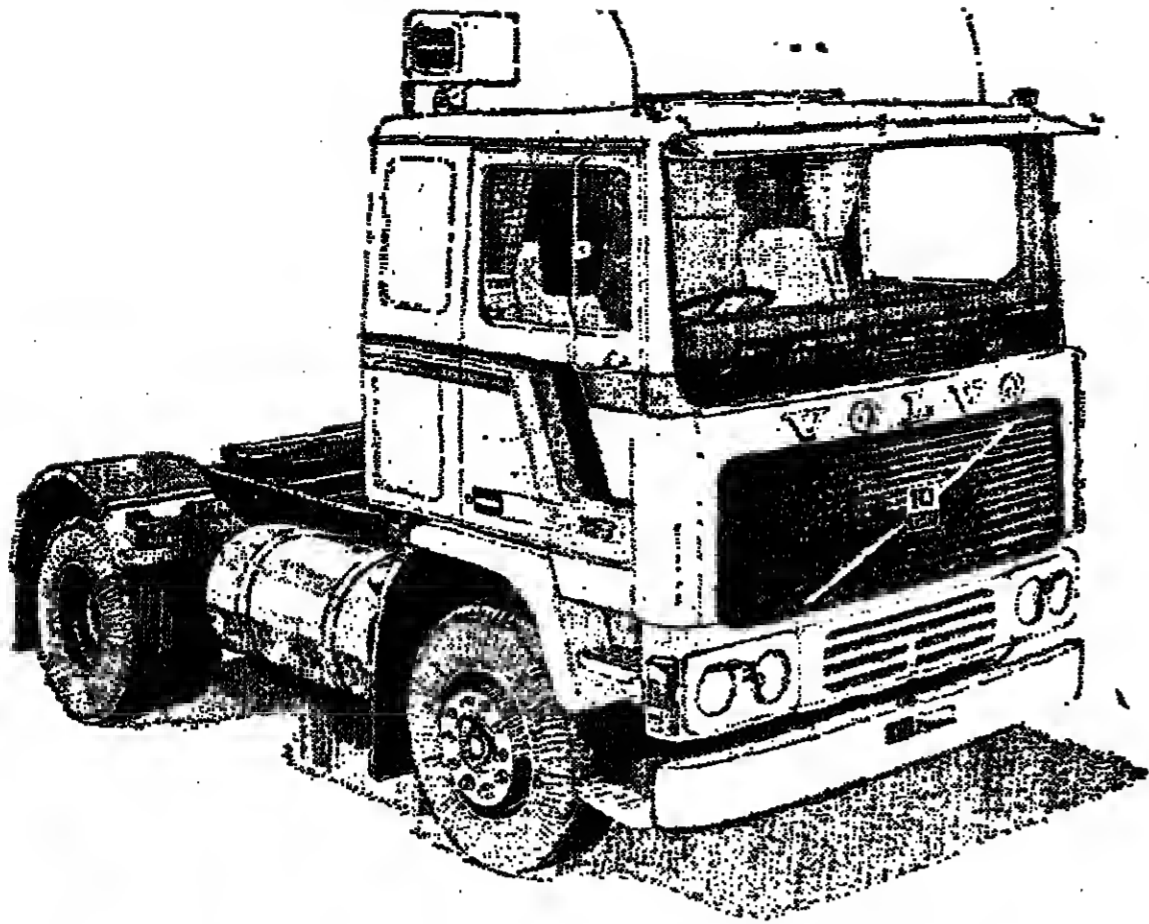
Mr. Tankmah Horn, managing director of Wartsila, said in presenting the interim report: "For a company like Wartsila, adaptation to the present and continuing crisis does not necessarily mean a crisis. We are sufficiently solvent and versatile company to manage even during bad times."

KODE audited results for the 28 weeks to 15th July 1977. Table showing Income Sales, Profit before tax, Profit after tax, Dividends, Earnings per Share for 28 weeks to 15th July 1977 and 16th July 1976.

The Republic of Trinidad and Tobago \$150,000,000 Medium-term Euro-dollar loan. Managed by: Algemene Bank Nederland N.V., Citicorp International Group, Union Bank of Switzerland, Bank of America NT and SA, Banque Bruxelles Lambert S.A., The First National Bank of Chicago, Orion Bank Limited, The Bank of Tokyo, Ltd., Compagnie Financière de la Deutsche Bank AG, The National Commercial Bank of Trinidad and Tobago Limited, Bank of Montreal, Credit Suisse, Manufacturers Hanover Trust Company, The Tokai Bank, Ltd., Barclays Bank International Limited, The Royal Bank of Canada, The National Commercial Bank of Trinidad and Tobago Limited, Morgan Guaranty Trust Company of New York, Union Bank of Switzerland (Panama) Inc., The Bank of Nova Scotia International Ltd., The Dai-ichi Kangyo Bank Limited, Midland Bank Limited, Toronto Dominion Bank.

# The case for expansion

By ROY HODSON



## The new Volvos. A liability—or reliability.

The risk normally associated with new vehicles is that they are largely an unknown quantity. Not so these new Volvos. Despite being the most technically advanced trucks on the market, their drive lines are already fully operation proven.

Thirteen years ago we proved them before introduction. Then 70,000 trucks on the road proved them. Now we've proved them again over millions of miles. So this time you can take reliability as read. In financial terms your investment is gilt edged. And that's something even your Financial Director will not argue about.



**VOLVO**  
The quiet revolution - it's Volvo again of course.

THE ALUMINIUM companies are trying to persuade the power authorities and the Department of Energy that a new deal for heavy electricity users will be in Britain's best interests.

The argument is being put forward in a series of talks between the individual aluminium companies and the authorities. The aluminium industry has no intention of giving the impression that it might be trying to act in collusion to secure a new power costs arrangement. But the various company cases can be distilled into one simple message — that the time is ripe for a major expansion of the British aluminium smelting industry as long as a special price for electricity can be arranged.

World demand for aluminium has made a surprisingly good recovery since the 1975 slump. Some 500,000 tonnes of new smelting capacity will be required every year in the foreseeable future to cope with additional demand for the metal if shortages of aluminium are to be avoided.

That forecast means that four big new smelters will have to be built every year somewhere in the world. Electricity costs are crucial in the processing of reducing bauxite to aluminium by the Hall electrolysis process. Thus the most recent smelter construction schemes have been concentrated upon parts of the world such as South America, Canada, and the Middle East, where extremely cheap power could be obtained from hydro-electric or natural gas plants.

But the major international companies in aluminium also recognise the desirability of having some smelting capacity near their important European markets. It is most unlikely that any company would find it economic to build a new smelter on a greenfield European site in preference to a site alongside really cheap power somewhere else in the world. What does attract the companies is the prospect of expanding some of their European smelting at relatively low capital costs.

Britain has only recently moved into the big-line aluminium smelting business with three smelters completed in the early 1970s. They were provided with cheap power

under special and highly complicated arrangements made by the Wilson Government.

After many teething troubles all three smelters are now running well and at times are being worked at or near the limits of their production capacity in order to meet demand.

British Aluminium is operating the Invergordon smelter and is working up towards producing 100,000 tonnes a year of primary aluminium as the market strengthens. Two smaller and older British Aluminium smelters in the Highlands produce a total of about 40,000 tonnes a year on average.

The Alcan smelter at Lynemouth, Northumberland, which is linked to its own coal-fired private power station, has a rated annual output of 120,000 tonnes.

The third big British smelter is at Holyhead, Anglesey, and is run by Anglesey Aluminium, a company which is owned jointly by Kaiser Aluminium (two-thirds) and Rio Tinto-Zinc (one-third). Recently that smelter has been producing at a rate of 110,000 tonnes a year against a designed capacity of 100,000 tonnes. Its managers expect to be able to squeeze out another 2 per cent increase in production but they say that will be the limit.

### Exporter

Britain is still a net importer of primary aluminium, having to buy about 100,000 tonnes from overseas smelters annually at a cost of some £60m. That shortfall could be made up entirely and the country might even become a net exporter of aluminium if the capacity of each of the three main smelters were increased by up to 50 per cent.

The capital costs of such an expansion are attractive. All three smelters could be enlarged very cheaply by installing new pot lines—the electrolysis process takes place in a series of containers called pots—and utilising the existing infrastructure and ancillary equipment of the plants. British Aluminium estimates that it could raise capacity at Invergordon, for instance, by 20,000 tonnes a year for capital expenditure of not more than £10m, to £12m. The extra pot lines would provide 100 new jobs.

By comparison a new aluminium smelter built in Britain on a greenfield site to produce 120,000 tonnes of metal a year would cost about £200m, at today's prices. All the companies have ruled out any possibility of building a new greenfield smelter in Britain.

Alcan has the prospect of expansion at Lynemouth to help cope with the expected aluminium shortage in the 1980s convincingly in mind.

The Lynemouth smelter power station has assured supplies of coal for present needs from a colliery next door to the power station. The coal is supplied by the National Coal Board at a fixed price well below ruling market prices. It was the Government-backed coal contract which persuaded Alcan to build the smelter in the first place.

Further expansion at Lynemouth, however, will depend upon Alcan being able to secure cheap electricity from the national grid.

Both Anglesey Aluminium and British Aluminium are having conversations with the power authorities to explore chances of new supplies of cheap electricity for smelter expansions.

The companies have two arguments for being sold electricity at special rates.

① An expansion of aluminium smelting must be good for Britain because it will help the balance of payments and provide new jobs during the present period of high unemployment.

② Aluminium smelters take large amounts of power round the clock and therefore are reliable and captive customers for the new base-load power stations being brought into commission.

At present the electricity authorities take a somewhat jaundiced view of the aluminium companies' requests for special power rates. "Once bitten, twice shy," said one senior man in the power generation industry. He was referring to the deals arranged in 1960 to provide cheap electricity to the Anglesey and Invergordon smelters. Both deals hinged upon the national generation costs of nuclear power stations not built at that time. One of the two stations—

Dungess B—is still not in commission and the arrangements have been costly both to the Government and to the Central Electricity Generating Board.

The electricity prices being paid by Anglesey and Invergordon under those deals are a close-guarded secret. Clearly they are far below the levels paid by industry in general. The aluminium companies do not seriously expect such good deals to be repeated the second time around. But they do believe they have a serious case for some special consideration.

What the aluminium companies want for their expansions—and what the electricity authorities are so far unwilling to give—is a special tranche of continuous power from the best base-load power stations at about the European rate of 9-10 mills, the unit the industry uses to pay for its electricity, representing one-tenth of a U.S. cent per kilowatt hour.

The electricity authorities oppose such a deal because, in their view, if the cheapest power generated in Britain were sold on a cost-plus basis, to aluminium smelters all other consumers would automatically be robbed of their shares of that cheap power.

There is a broader argument that the British power authorities should re-examine British electricity pricing structures with a view to giving a better deal to the big users of electricity including the steel industry, the aluminium smelting industry, and the chemicals industry.

Meanwhile, authorities outside the power industry are becoming interested in the possibilities for expanding the aluminium industry in Britain. It would suit the Welsh Office to have more pot-lines at the Anglesey smelter with the provision of more jobs. The percentage of unemployed on the island persists in double figures.

In Scotland the Highland and Islands Development Board sees much sense in an expansion of the Invergordon smelter. At present some of the cheap hydro power from the North of Scotland Hydro Electric Board is exported south. A case is being developed for Highlands power being retained wherever possible to encourage the development of local activities.

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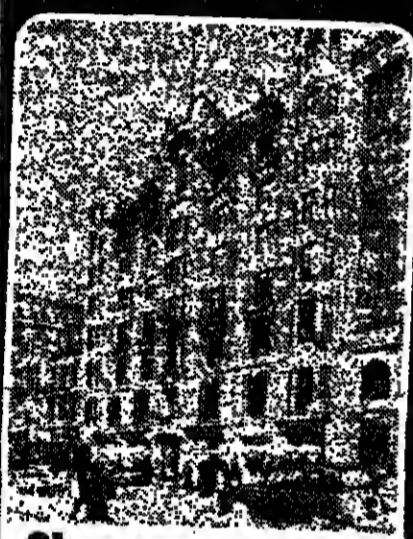
# FINANCIAL TIMES SURVEY

Tuesday, October 18 1977

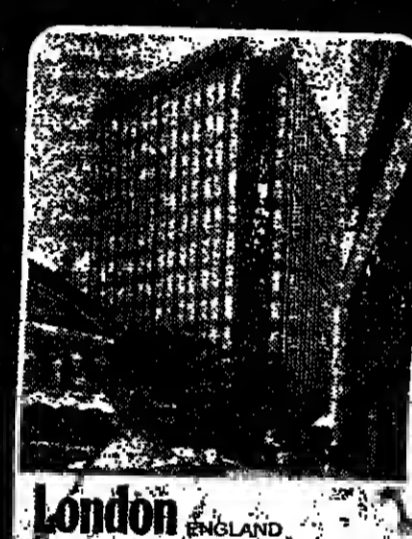
# European Property

Europe's property markets remain as inconsistent as the Continent's political, economic and social structures. A general recovery had been expected but to date this has been disappointingly slow.

## TO LET



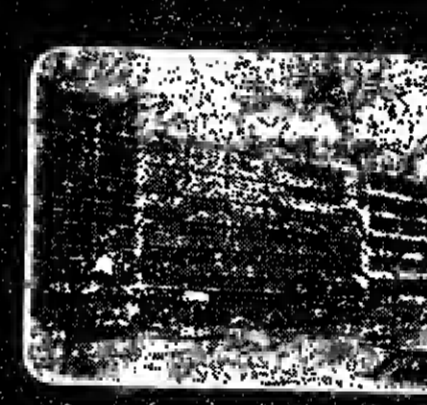
**Glasgow** SCOTLAND  
90 St. Vincent Street.  
5,000-30,000 sq. ft. prestige city-centre offices to let.  
Contact Glasgow Office



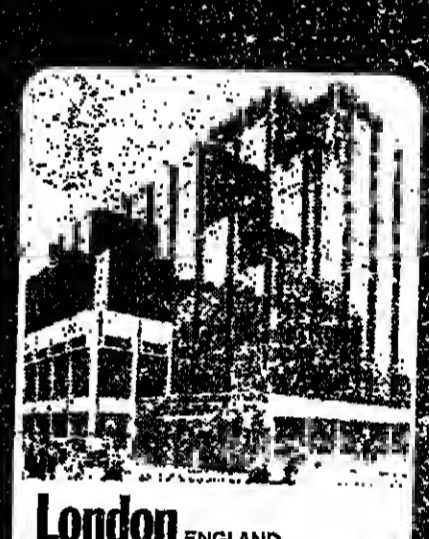
**London** ENGLAND  
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62,000 sq. ft. (5,760 m<sup>2</sup>). To let.  
Fully air-conditioned. Car parking.  
Excellent natural light. Prestige entrance hall.  
Contact Cornhill Office



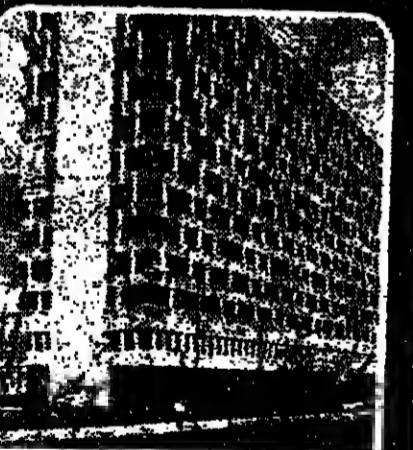
**Madrid** SPAIN  
Plaza de Roma 14.  
28,200 sq. ft. (2,620 m<sup>2</sup>).  
Prestige office accommodation to let. Car parking.  
Completion January 1978.  
Contact Madrid Office



**Munich** WEST GERMANY  
Sonnenstrasse  
16,150 sq. ft. (1,500 m<sup>2</sup>) modern shops/offices to let.  
Car parking.  
Contact London Bruton Street Office



**London** ENGLAND  
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New office building now available to let as a whole or in part.  
140,000 sq. ft. (13,005 m<sup>2</sup>).  
Fully air-conditioned and carpeted in units/floors from approx. 21,000 sq. ft. (1,950 m<sup>2</sup>).  
Contact Bruton Street Office



**Brussels** BELGIUM  
Tour Leopold.  
Fully air-conditioned office accommodation of 187,150 sq. ft. (17,395 m<sup>2</sup>) to let.  
Car parking. Fitted carpets.  
Contact Brussels Office



**Paris** FRANCE  
Ave. Friedland  
Prestigious office building.  
88,950 sq. ft. (8,300 m<sup>2</sup>) in units  
4,750 sq. ft. (442 m<sup>2</sup>) to 14,080 sq. ft. (1,308 m<sup>2</sup>) to let.  
Excellent communications. Lifts.  
Telephones. Car parking.  
Contact Paris Office



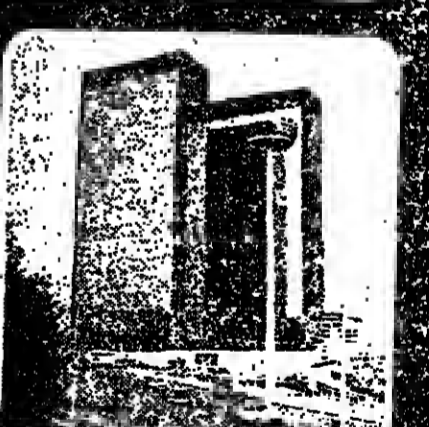
**Barcelona** SPAIN  
Rambles de Catalunya 98.  
28,875 sq. ft. (2,664 m<sup>2</sup>) prestige offices to let. Car parking.  
Immediate occupation.  
Contact Madrid Office



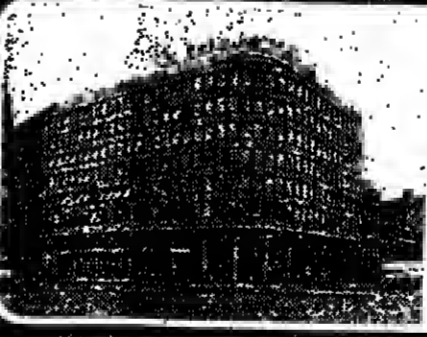
**Brussels** BELGIUM  
Square de Meeus.  
Island site building.  
193,680 sq. ft. (18,000 m<sup>2</sup>) new office accommodation remaining in floors of 28,325 sq. ft. (2,631 m<sup>2</sup>) to let.  
Air-conditioned.  
Good communications.  
Car parking. Fitted carpets.  
Contact Brussels Office



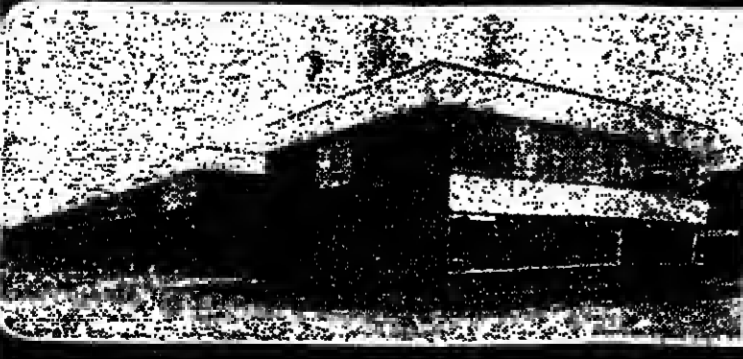
**Geneva** SWITZERLAND  
Elysee Molard.  
Approx. 10,760 sq. ft. (1,000 m<sup>2</sup>) modern shops/offices to let.  
Contact London Bruton Street Office



**Paris** FRANCE  
Porte de Bagnolet.  
Las Mercuriales.  
Twin tower office blocks. New office accommodation of 624,300 sq. ft. (58,000 m<sup>2</sup>) and commercial showroom space 21,500 sq. ft. (2,000 m<sup>2</sup>) to let.  
Air-conditioning. Basement car parking.  
Contact Paris Office



**Amsterdam** HOLLAND  
Aurora Building.  
21,500 sq. ft. (2,000 m<sup>2</sup>) office accommodation and 10,760 sq. ft. (1,000 m<sup>2</sup>) showroom accommodation to let.  
Contact Amsterdam Office

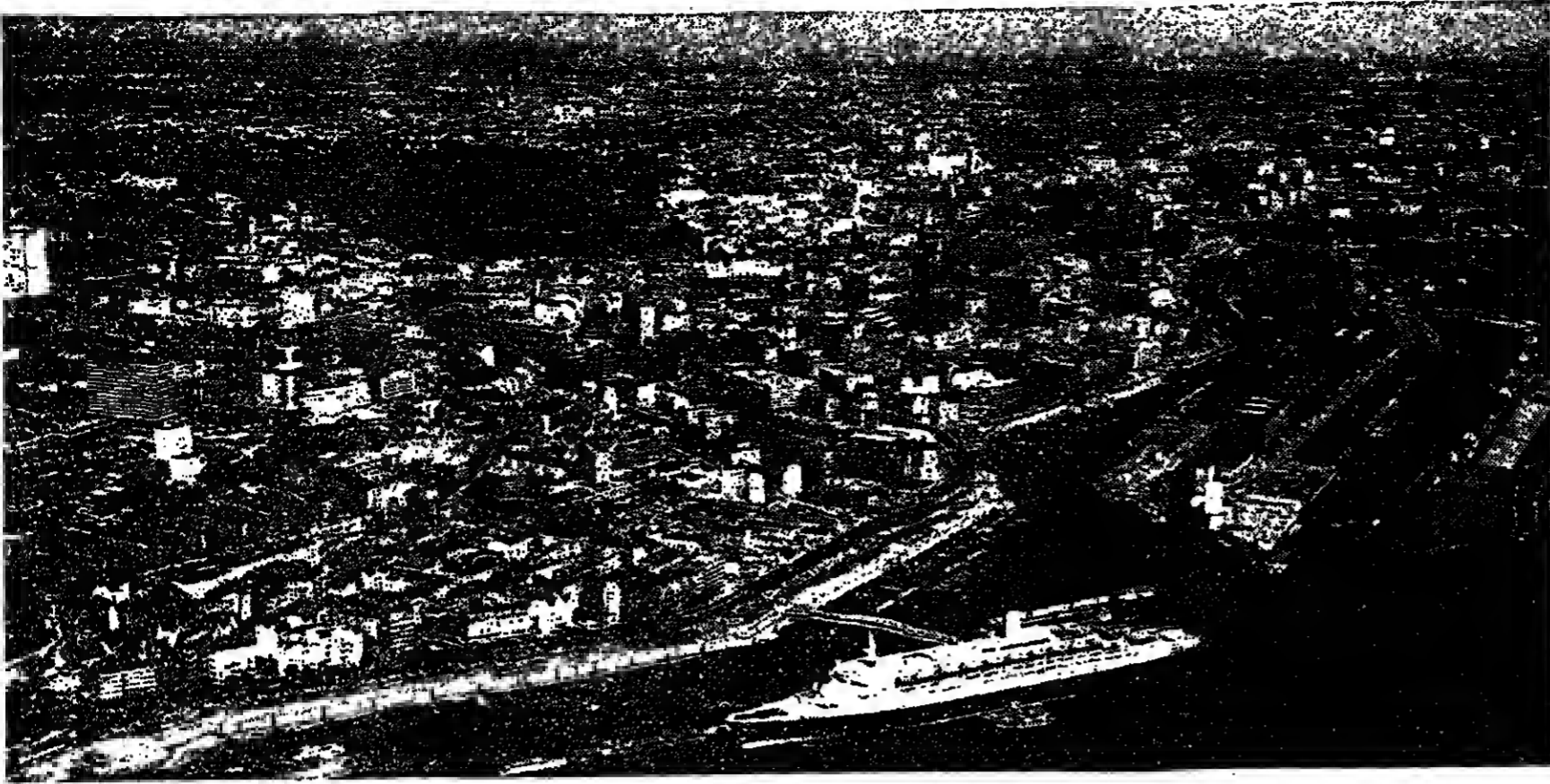


**Enfield** ENGLAND  
Middlesex  
78,640 sq. ft. (7,305 m<sup>2</sup>) warehouse/offices to let.  
May divide to units from 30,000 sq. ft. (2,785 m<sup>2</sup>).  
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# Richard Ellis

# EUROPEAN PROPERTY II



A view of modern Hamburg.

## Snail's pace recovery from recession

THE PAST seven years has seen a number of common themes running through each national market. Inflation has no respect for national boundaries. And throughout Europe sharply rising building costs have contoured to curb development enthusiasm at a time when inflation has had the effect of dramatically expanding the cash inflows of the property buying financial institutions. These twin factors have had a marked influence upon the property investment markets, where—as the national reports in this survey show—much of the confidence lost in the grim years immediately following the 1973 oil crisis has been recovered.

The more cheerful outlook in the investment market anticipates a general recovery in economic activity throughout Europe. But to date that recovery has been disappointingly slow.

Even Germany, with Europe's strongest economy, has only been crawling out of the 1974-75 recession. And the snail's pace of industrial expansion has dictated the level of activity in the industrial and commercial lettings markets. There has been a clear improvement in letting demand in every national market. But with only a few isolated exceptions, that improvement has merely altered the immediate conditions from bad to dull and provided a little more light at the end of still very long tunnels for the more heavily over-extended cities of Brussels, Paris and Frankfurt.

Viewed from Britain the Continental market still appears to be a graveyard of developers' ambitions. But with active local institutional buyers, and

the occasional purchase by a British institution, the expensive relics of the early 1970's building boom are now being rapidly absorbed into the portfolios of insurance companies and pension funds.

It is too late for a number of casualties of that classic financial trap—a mismatch of currency borrowings to assets—but the recent relative strength of sterling has eased one critical aspect of the financial problems facing British companies still locked into loss-making Continental schemes. Nevertheless, too many fingers have been burnt for the recent movements on the currency exchanges to tempt British developers back into Continental markets.

### Enthusiasm

As British development companies have been curbing their Continental losses, the British surveying firms that rode into Europe on the wave of development enthusiasm have been having a bleak time.

The firms have to overcome inbuilt prejudice against their professional advice in markets where "agents" are generally little more than deal brokers and where advice has traditionally been the prerogative of the architect or lawyer. In that struggle they have an uphill climb to make, trying to consolidate local business and reduce their independence upon existing British and international clients operating abroad.

These common themes are reflected, to a greater or lesser extent, in each of the principal national markets.

While the property markets of Belgium, France, Ireland and Britain tend to be dominated

by events in the capital cities, Germany can claim active local markets in Hamburg, Bremen, Hanover, Dusseldorf, Cologne, Frankfurt, Stuttgart, Munich, and an increasingly important number of smaller provincial centres with particularly strong retail demand. There are 12 cities in the Federal Republic with populations of more than 500,000 and a further 62 with more than 100,000 inhabitants. This diversity, and the inherent wealth of the markets, acted as a magnet for developers and resulted in an office over-supply that is only now beginning to be absorbed.

In its recent review of the market Jones Lang Wootton noted a steady recovery in office letting demand over the past year. But the agents report that, with commercial confidence still at a low ebb, demand has centred on cheaper city centre space and there is still a marked reluctance to move into higher quality air-conditioned space or decentralised offices.

The selectivity and cost consciousness of the letting market has tended to slow the pace of rental growth and deter new development. Yet with interest rates lower than they have been for several years, and a traditionally narrow investment market because of the strong bias towards owner-occupation, competition between local and international—particularly Dutch institutions for prime properties has forced a sharp drop in investment yields. JLV estimates that initial yields in Germany now range from 5.5 in 6.5 per cent. for residential property, 5.5 to 6.25 per cent. for offices and shops and 8 to 8.25 per cent. for industrial

property and hypermarkets. The Dutch institutions' appetite for property investments has been a striking feature of the European market in the past year. Whenever a property deal is being discussed the name of the Philips or Shell pension fund is bound to crop into the conversation. And when those funds are absent it is a fair bet that one of Holland's insurance companies, led by the giant Nationale-Nederlande, or Robeco's 25 per cent. owned property investment group, Wereldhave, will have made discreet soundings.

Disenchantment with residential property investments and, once again, the common feature of inflationary swollen cash inflows combined to explain the growth of the Dutch property groups.

In their home market the Dutch companies have seen only a moderate revival of letting demand. Commercial confidence has been affected by political uncertainties following the recent indecisive Dutch general election. And while prime office investment yields mirror the sharp decline seen elsewhere there has been no comparable recovery in rent levels.

**Doubts**

Recent doubts about the strength of the Belgian franc have deterred investment there, although there are now signs of an improvement in the massively over-extended Brussels market. Richard Ellis has reported that some 1.45m. sq. ft. of offices in and around the city were let in the first half of the year.

A recovery of demand on that scale could significantly improve

the outlook for both rents and investment activity in the city. But with as much as a fifth of the city's total 4m. square metres of offices either standing empty or nearing completion but unable to find tenants, recovery in the market is bound to be highly selective, both qualitatively and in locational terms.

France, also an effective one city property market, is slowly coming to terms with its oversupply problems. But any eventual recovery will come too late for this generation of property developers, who are being forced by the absence of long term finance to abandon the market to local investors, and to the ever present Dutch.

Overall, Europe's property markets are slow in a period of consolidation. Caution has succeeded the hectic activity of the early 1970s, a caution that parallels local economies' hesitant moves out of recession. Until industrial and commercial activity throughout the Continent recovers, the steam knocked out of it during the post-oil price slump, the best the property industry can hope for is a steady abatement of the heat, unless some and a slow but consistent firming of rent levels.

The investment market is already running well ahead of underlying office demand. And although this can be explained simply in terms of the weight of institutional money, the pressure for prime non-secure investments underlines long term confidence in the investment appeal of real estate, a confidence that is gradually spinning back into the day-to-day business of the markets.

John Brennan  
Property Correspondent

## British developers

THERE WAS a time in 1973 when the total European property portfolios of British companies topped £1bn. To-day the figure must be less than half that amount.

Since 1975 massive selling programmes have been the order of the day as British developers fought to rid themselves of crippling debt mountings.

The causes of the collapse are only too well known. Building booms created oversupply, which made lettings difficult at a time when steep financing charges urgently required high initial rents followed by strong rental growth. These problems were being encountered both at home and abroad, but overseas they were exacerbated by the weakness of sterling against other currencies. Already heavy financing burdens became crippling when translated back into sterling terms.

Perforce the only solution was to sell off the schemes which had been undertaken with such confidence. The investment climate was poor. Development sites could find virtually no buyers and even good completed developments could only fetch prices which showed losses in the balance-sheet.

Not all deals have been straight sales. British Land has organised a very advantageous partnership in Holland and France with the Dutch property investment company Wereldhave. The first partnership was in Holland. First British Land bought two extra properties for its portfolio, bringing the total up to 700,000 square feet, including four shopping centres. Then it sold a half share of the total to Wereldhave.

Since then the four shopping centres, at Almelo, Steenwijk and Leeuwarden, have been sold.

Next stage in the plan was for a 50-50 partnership with Wereldhave of the French portfolio. The principal property is a 135,000 square foot office refurbishment let to the French Government.

Another partnership, between the Hammerson Group and the Dutch company, Box, ceased when Box was taken over by Nationale-Nederlande, a leading Dutch insurance company. The projects already undertaken in partnership remain jointly owned and on the whole they have been successful.

Brixton Estates, for instance, has completed the first phase of its Erskine industrial estate near Dusseldorf, where the warehouses are let to the leading department store group Karstadt. Phase 2 has now begun. When finished it will provide 148,000 sq. ft. of space, which 89,000 is already pre-let.

Not all German schemes have been free from trouble, however. Bishopsgate Properties recently been forced to renege a £11.6m. D-Mark. Announcing the deal at a recent meeting, when the company was just "waiting day by day," the chairman said all three properties Germany would be sold in course.

The office developments in Dusseldorf is still only one cent. let and its value on completion will just about cover costs. But the two undeveloped sites in Stuttgart and Dusseldorf are expected to show a deficit on cost.

Holland has also produced a crop of problems for developers. Hammerson's massive Aven block, for instance, is only two-thirds let and Mason does not see any room for development in Amsterdam.

Country and New To scheme in Arnhem is only one cent. let and the value has been written down again. But on other hand the project at Arnhem was sold at a profit, the remaining Dutch part is producing a current profit sufficient to cover financing costs, though the whole of pending disposal.

### Acceptable

Ironicly, the climate is now much improved, both for lettings and investment purchases. In Brussels, for instance, the most favoured location of all in Europe, and the one which has suffered most acutely from oversupply, demand is definitely picking up. According to Richard Ellis in Brussels some 1.1m. square feet of offices were let in Brussels between January and the end of July. In Paris, too, the empty blocks are filling up at acceptable, if unexciting rents.

But the dawn has come too late for many. The roll call of properties sold off during the past 12 months or so has been relatively short in comparison with 1975-76 but it has still left dents.

Among others, Centrifugal Estates has sold its Paris office development for £25m. and its Dutch properties for £4.6m. Berkeley Hambr Properties sold the bulk of its French holdings for £18.9m., £1m. over the book value. The buildings included the La Defense tower, three other Paris office blocks, one in Lille, and a warehouse in the Paris region. The reasons for the sale: "To reduce borrowings."

Raglan has sold the bulk of its French properties also, and where British developers are Chesterfield, Ronson, which still carrying on projects.

Mr. Mason's views are confirmed by Commercial Union, whose surveyor, Keith Egerton, says that Germany is virtually the only country EU would like to be more involved in. Lettings on its Brussels properties have not been easy, although the prime Arts Lux building is now 60 per cent. let.

West Germany does seem to be just about the only country its French properties also, and where British developers are carrying on projects.

Christine

**Ironic**

One thing is patently clear. With the exception of a few rare pre-let schemes it is a long time before developers undertake projects in mainland Europe.

Furthermore, their need to currently fluctuations against the pound—has them eager to sell rather than hold completed developments. The pound may be strong today but it has been weak in the past few months but it still has way to go and development simply cannot wait that long.

It is a particularly time to tell the knell of British adventure in Europe. Just as rents are rising, if slowly. Of course, oak groups have made a sum of their schemes, and with their costs having risen over last three years they are forward to real rental in the future.

Christine

## Investment patterns

WHAT IS one man's meat is another man's poison. As the British developers blow their hot air and drop their hot potato projects European investors have been picking them up with alacrity all this year.

In Paris, for instance, Dutch investors are thought to have picked up some 280m., a 170m. worth of properties in the past year. It is difficult to generalise, of course, about the investment market in Europe. Each country presents its own investment climate and membership of the EEC is no man's uniformity.

Nevertheless, there are some factors in common. Inflation has been a force throughout the world, not least in Europe. One of its effects has been to drive up building costs to a point which makes existing buildings historically cheap. At the same time, inflation has also boosted the revenues of insurance companies, pension funds and banks who have, therefore, been all the more anxious to find homes for their inflows.

In most European countries the effect on property has been to drive yields down two or more points below the levels prevailing in 1975 and the beginning of 1976. This is not deterring the investors who have by no means slackened the pace of their search for new investments. In the main the Dutch have been leading the way, looking in most countries with the possible exception of Belgium due to its proximity over the strength of the Belgian franc.

Many of the deals have been kept very quiet but it is known that the pension funds of Philips and Shell and Holland's leading insurance company, Nationale-Nederlande (through its property subsidiary, BOZI, have bought in Paris at yields around 8 per cent.

Many of the buildings they have purchased have been British developments, like Berkeley Hambr's £18.9m. sale of its Paris portfolio to a group of Dutch investors. But there have also been purchases from French companies who had been buying in the early 1970s at yields of around 10 per cent. and can now see opportunities to take profits.

### Involvement

One reason for the Dutch involvement in France is a genuine need to spread investment money outside Holland itself. Under French regulations all the money has to be brought in from abroad and the Dutch are happy to comply as their own country is beginning to show its small size—prime investment opportunities in Holland are drying up.

Nevertheless, there have been major deals transacted recently in Holland, not least a £40m purchase from the Government Savings Bank. The deal, which was arranged by Beit's agents Richard Ellis, on behalf of a consortium of private investors, involved some 6,000 square metres of offices in Amsterdam, a shopping centre

in Breda, plus 550 houses and 1,250 apartments.

Other Dutch investors, notably Wereldhave, a property investment company 25 per cent. owned by Robeco, have taken the alternative way towards building up a property portfolio. Rather than buy individual buildings in a competitive market Wereldhave has been seeking to acquire companies with existing portfolios.

Next week it should announce whether it has been able to agree terms for an outright takeover of the Dutch-quoted but British-managed investment company EUPIC (European Property Investment Company). Under Dutch rules it announced preliminary discussions late in September.

EUPIC was launched in July 1973 with the issue of 1.2m. shares at Fls.110 each on the Amsterdam market. It was sponsored by a group of international bankers and institutions headed by Morgan Grenfell and made its first property acquisitions, worth £5.4m. in April 1974.

Since then it has bought a further six properties bringing its total portfolio to ten spread throughout Germany, Paris, Brussels and Amsterdam. The results of the latest valuation, in June 1976, throw up a value of Fls.89.5m. for the portfolio, producing a net rental income (before financing costs) of Fls.6.3m. At the pre-tax level, the house fund and deposits kept this at Fls.6m. after financing costs of Fls.1.2m. and administration expenses of Fls.11m.

**Portfolio**

So Wereldhave probably has a fight on its hands. In another series of deals undertaken in the past 18 months it has found a less reluctant partner in British Land. First it entered into a 50:50 relationship with British Land over its Fls.140m. Dutch portfolio, then it repeated the deal with the French portfolio which is worth Frs.135m. according to British Land's last report and accounts.

Not all the investors in Europe are Dutch, of course. Private German investors are also active in Holland and France as well as on their home ground where they have always been particularly attracted in residential apartment blocks.

Nor are the British unrepresented. A number of British pension funds, property funds and insurance companies have quite sizeable portfolios in Europe. Abbey Life, for instance, has 15 per cent. of its properly fund in Europe and it expresses itself as quite happy with its performance. Its investment manager in

charge of Europe believes that yields are looking attractive in Europe now that they have improved slightly. In Paris he is talking of 8 to 8½ per cent. for prime offices and in Germany around 7 per cent. for the best. Now he is looking forward to rental growth on the back of rising building costs which are inhibiting new projects. Abbey's own developments are nearly complete and its investment properties virtually fully let.

Despite Abbey's confidence in the European markets, however, it has not been actively buying for some time. One reason is currency regulations. Since the special £1m. premium-free allowance was withdrawn by the British Government three years ago, most British funds have stared out of a market in which they would have to pay an extra premium because of the weak state of the pound.

But this is not the only reason why Abbey is content to consolidate its existing portfolio. It believes it has a sufficient proportion of its total fund in Europe already and in any case it is not letting its rental growth based on to-day's yields. Like many other British investors, it believes that the extra risk involved on the Continent—where tenants can break their leases every three years—requires an extra couple of points on the yield in equate with British properties.

Christine Moir

overlooking the Trocadero gardens

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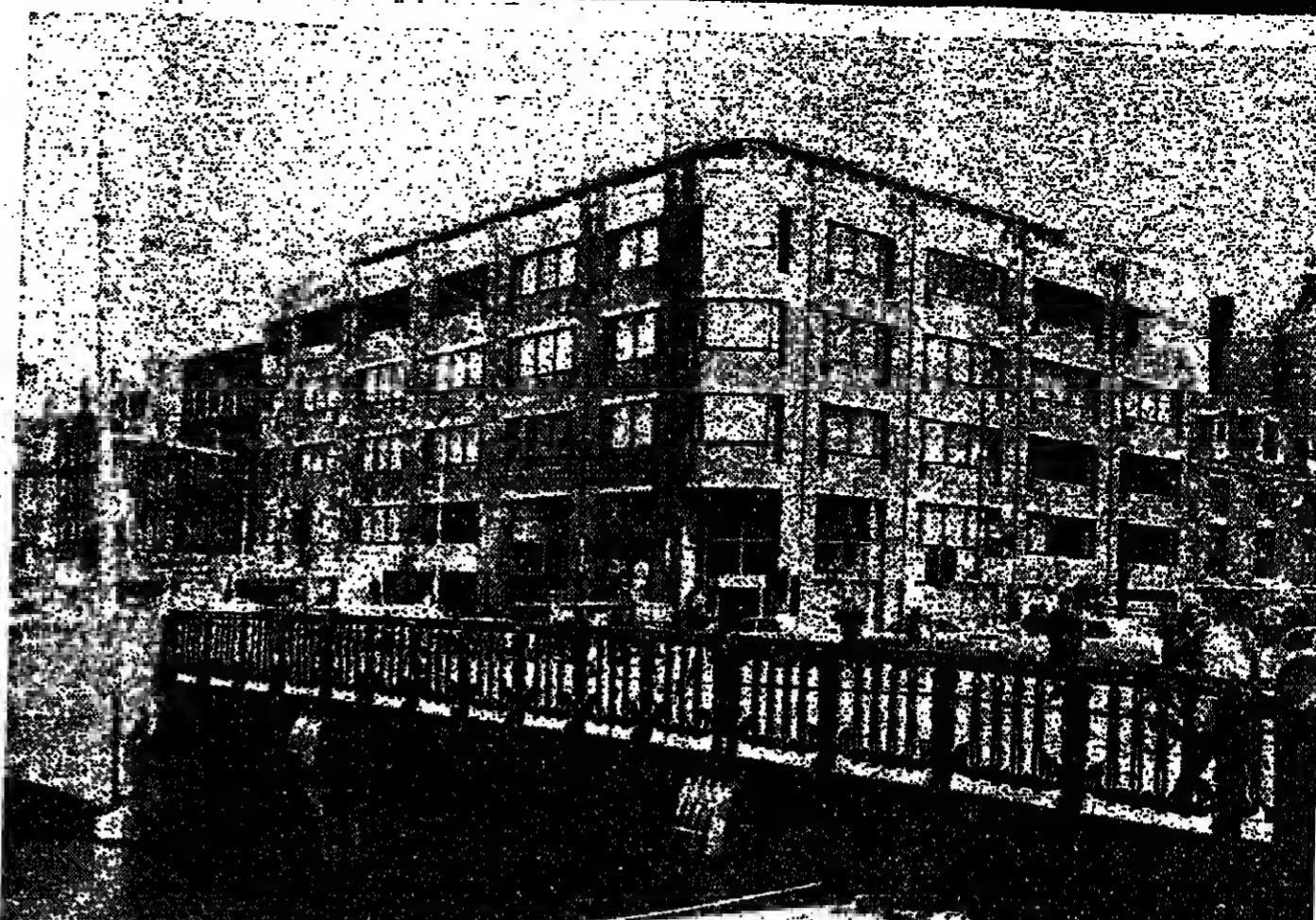
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John Brennan

THE NETHERLANDS

Pressures build up



An Amsterdam office block sold earlier this year by Jones Lang Wootton for Chesterfield Properties to an investment fund managed by Algemene Bank Nederland.

DUTCH INVESTORS are driving property yields down lower and lower. While the letting market remains weak the investment market is strong, and there is evidence that its strength will continue.

The main investors are the pension funds and the insurance companies, both of which are quite large in relation to the comparatively small population. The Netherlands has a number of large industries—Unilever and Philips, for example—despite its size. But the investment companies are still active buyers of tenanted properties, and the private investor still flourishes in the Netherlands, despite the tax system.

These four sources of funds seeking investment properties have also had to compete with funds coming into the country from outside, especially Germany. But a change by the portfolio composition by the Dutch insurance companies and pension funds is also adding to the pressure on demand for properties. Commercial property investment is relatively new to the Dutch institutional investors; previously they have invested substantially to residential property. Faced, however, with the relatively low yield offered by flats, the institutions have been selling these investments and re-investing the proceeds into commercial property—shops, offices, factories, and warehousing.

**Profits**

Demand is thus strong. But one respect this strength has come at the right time: the Dutch development companies which rushed into Holland during the early 1970s—only to find that lower than anticipated rents reduced their profits. Left them with revenue which is now being increased in the past year's decline in the shopping centre.

The large quoted Dutch property company Beleggingsmaatschappij Wereldhave has also been actively acquiring complete

Foreign investors are attracted to the Netherlands by the strength of the currency, but this has only hindered the U.K. developer while the pound has fallen.

Among those U.K. developers selling their Dutch schemes has been Keamhurat, now part of Hui Samuel, which this summer sold its 12,000 sq. m. office block in Rotterdam's Vasteland to the VMF pension fund for over Fls.15m. Chesterfield Properties, too, has sold the 5,200 sq. m. office block completed last year in Amsterdam. The freehold development on the corner of Vijzelstraat and Keizersgracht in Amsterdam's banking district was bought by an investment fund—Beleggingsfonds Onroerende Goederen—for Fls.20m. And also in Amsterdam, Bovis has sold its shop and office investment in Leidsestraat for Fls.3.5m.

As the institutions have continued their buying spree, yields have fallen such that prime office investments now sell on yields of under 6 per cent. Earlier this year yields were up to a point higher; and a year before that yields were another point higher still. Shop yields are now down to around 6 per cent, and industrials sell around 7½ to 8 per cent.

Faced with these high prices, investors have been looking for ways in which they can improve their yields. One way has been to buy whole property companies or portfolios. One of Holland's largest ever deals was completed this summer when a consortium of Dutch investors paid nearly Fls.175m. for a portfolio of office, retail and residential investments. The seller was the Rijkspostspaarbank—the Dutch Government savings bank—and the properties included a 6,000 sq. m. office block in Amersfoort and a Breda street centre.

The large quoted Dutch property company Beleggingsmaatschappij Wereldhave has also been actively acquiring complete

portfolios. In a mixture of shares and cash Wereldhave took over Kemley Coopmao whose Fls.40m. portfolio included office investments in Haarlem, Rotterdam and Dordrecht, besides cash-and-carry warehouses near Maastricht and Eindhoven. At Dordrecht Wereldhave has acquired a site in the deal which it will develop and let itself.

Wereldhave also bought Rothschild Investment Trust's Dutch property holding subsidiary for Fls.6.9m. cash, and may soon bid for the quoted European Property Investment Company.

**Limited**

Investors like these are having to look for indirect ways to invest in property because the number of investment properties in the Netherlands is strictly limited. Not only is the country relatively small, so not requiring a large number of commercial properties, but many of the properties which do exist are used by owner-occupiers. Owner occupation is still very attractive to the Dutch.

So two of the largest deals in recent years have been between developers and owner-occupiers. Delta Lloyd, now a subsidiary of Commercial Union, agreed to buy Bank City Wall's 30,000 square metres Amsterdam office development while the Rank Organisation subsidiary was still developing it. And in Rotterdam, Town and City's Europa Point buildings were sold to the local municipality for well over Fls.100m.

Occasionally an owner-occupier will buy a large development such as these and then offer the vacant space on the letting market. It is then, however, that the purchaser comes up against the problems of the Dutch letting market.

In most Netherlands cities except for The Hague there is an oversupply of office space, and demand has remained slack. Part of the problem on the demand side of the equation is

that the Dutch economy is caught in the same recession as most of the rest of the Western world; but part of the problem is also the uncertainty which has followed last May's elections when the electorate failed to return conclusively any single party.

The lack of expansion means that companies are typically seeking office suites of just 200 or 300 square metres. Further, much of the demand is being diverted away from the main cities of the Randstad (the Rotterdam, Amsterdam, Utrecht, Hague area) into the central areas of the Netherlands by Government tax incentives for industry. Prime office rents in the Randstad cities of Amsterdam and Rotterdam are around Fls.220 per square metre; secondary rents and rents in the provinces are around Fls.150 to Fls.180 per square metre.

But in the banking heart of Amsterdam, quality refurbishments are still available in the centre, particularly in the Cool-singel, Blaak and Westblaak areas. Up to Fls.270 per square metre is being asked for new space here, though achieved rents are little higher than those achieved in Amsterdam.

But although The Hague is the only significant area not currently suffering from an oversupply of office space, about 10,000 square metres are under construction for completion next summer. This should relieve the pressure of demand—currently coming almost equally from private and public users.

The Hague is being watched by retailers, however, following the completion of isolated deals at Fls.2,000 per square metre. Previously such rents have been paid for shops on Amsterdam's top shopping street—the Kalverstraat. This is now pedestrianised, which has helped improve rents, but it has been branches of overseas retailers that have been mainly responsible for pushing rents higher. Alongside the traditional stores like Vroom and Dreesman can now be found German and British retailers.

Among the U.K. companies operating in the Kalverstraat are Mothercare and Dorothy Perkins and Esters the Jewellers.

These foreign tenants have been in the van of negotiating longer leases. The traditional Dutch lease is for five years, with an option to renew for another five. Now longer leases are being signed on a 10/10 basis—that is 10 years for a further ten years. This is preferable for the investor, and to an extent a justification of the lower yields that they have been paying. Rents are increasing rapidly in the Netherlands for many years but is still agreed between landlord and tenant on a voluntary basis.

The current rise from the most commonly used index allows an annual rise of 8 per cent., but this is falling with the rate of inflation.

In Rotterdam shop rents in the prime pedestrianised Lijnbaan are between Fls.1,500 and Fls.2,000 per square metre. But while the Fls.2,000 Kalver-

street-level rents are less prices start at around Fls.300,000 common in Rotterdam, there is a belief that when they are paid, they are more justified than in Amsterdam. For some companies the Kalverstraat is a presage address in which to have a branch; but the trade in Rotterdam means that high rents pay for themselves much more easily.

But the development and construction companies are still responsible for most industrial development; the institutions have been less prolific in industrial development despite the higher yield. Instead, they are commencing shop and office schemes, whose lives should be longer, and whose potential for rent increases is greater. Shop and office developments also provide investments of the size that the institutions want. The yield that the institutions receive by developing themselves is higher than had they bought investments; but that is not the real reason that they have turned to development. Building their own schemes and letting them satisfies their apparently insatiable appetite for investments—an appetite that cannot be satisfied by buying on the open market.

Richard Northedge

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# EUROPEAN PROPERTY IV

## WEST GERMANY

# Careful approach pays off

WEST GERMANY is still one of the best countries in Europe for commercial and industrial property development and investment opportunities. Despite the recession of the past three years and lack of confidence shown by German industrialists, there was little evidence of its economy, compared with that of most other European countries, is still relatively strong.

This is confirmed by the growing numbers of foreign investors, particularly the Dutch pension funds and to a lesser extent British groups, currently investigating the German real estate market. According to Jones Lang Wootton, in a report on the German property markets, there are still opportunities for property companies to undertake speculative commercial and industrial developments provided that sufficient care is given to site selection, building design and rental forecasts. Equally, claim the agents, it is still possible to find good investments which, together with development schemes, can be financed at very attractive rates.

JLW's report states that the shock of the recession of the past three years has led to a refusal by German industrialists to believe that things are slowly improving. There has been complete lack of investment in the private sector, and this is reflected in a weak office and warehouse letting market. Nearly all major German cities have an over-supply of offices and consequently rent levels, apart from one or two specialised locations such as the banking area of Frankfurt and the Königsallee in Düsseldorf where rents have stabilised at around DM19 per square metre per month (£5.50 per square foot per annum), for well located air-conditioned offices, and are now some 20 per cent. below the 1972 rental peak.

The German office of Weatherall Green and Smith also claims that West Germany is a particularly attractive country for property investment, not least say the agents, because it has one of the strongest economies in the Western world. In 1976 the gross national product of the country was DM1,355bn, which showed an increase over the 1975 level of 8.8 per cent, and West Germany managed to achieve a surplus on the balance of trade of DM34.5bn, maintaining an increase in its exports to all sectors with the exception of Latin America.

### Attractive

With the economic situation coupled to returning confidence in the property market in general has come renewed activity by domestic investors which has made the country particularly attractive to overseas investors.

The usual financing formula, taken by developers from overseas, involves a mortgage on the property with a German mortgage bank, usually at between 55 and 60 per cent. of the total development costs at a fixed rate of interest for the initial years of the loan. The balance of the funding would be provided by a German commercial bank for four or five years and a fixed rate of interest guaranteed by a suitable institution.

Weatheralls state that over the past 12 months the rate on mortgage finance has come down from about 8.5 per cent. to between 7 and 7.5 per cent., depending on the covenant of the borrower, so that the funding rate for the total package is likely now to be in the order of 7.5 per cent. Certain outstanding covenants may be able to obtain necessary mortgage financing on a rate below this, and the length of such a loan is normally now between 15 and

20 years. The other factor which has varied during the past year is the percentage of the total U.K. property development costs which the mortgage bank is prepared to fund. Up to the end of 1976 there was little evidence of a mortgage bank being prepared to go beyond 60 per cent. of total costs, and even this was achievable only on the best located properties. There is now some indication that certain mortgage banks will go above this level, and for high quality properties in the best streets of major German towns it should now be possible to achieve somewhere between 60 and 70 per cent. on mortgage.

There is no doubt that the German property investment market is back on a very buoyant level of activity. Following the peak market, which ended in Germany towards the end of 1973, the direct investment market died and it stayed at a very low level all through 1974 and 1975. Throughout 1976 there was a gradual improvement and a return of confidence, with a number of substantial transactions taking place which set the market trend.

This general level of activity has been maintained so far during this year and demand has been so high that there is

now a noticeable shortage of suitable rack-rented properties. This has meant that as in the U.K. many institutions are becoming directly involved with developments in order to create their own investments. As an alternative some funds are agreeing at the outset of a scheme with the developer to fund it on a forward sale basis with an agreed takeout rate for the institution once the scheme is completed and let.

The domestic property investment market is relatively sophisticated, with the principal German investors being insurance companies, banks, open and close-ended funds and some individuals as well. Certain U.K. institutions had shown considerable interest in investing in Germany in 1973, but their involvement over the past three years—although relatively substantial—has still been modest to the market as a whole. The major Dutch pension funds have been looking at the market in recent months, and there is now evidence that a number of substantial deals have been arranged. Initially this interest was concentrated on Düsseldorf and other cities purchased on a fairly general basis throughout the Federal Republic.

John Morgan, the senior partner of agents Jones Lang Wootton in Germany, said recently that because of the considerable slump in the German property market from 1973 until the end of 1975 there are now very few active German property companies, and one of the largest, the Bremer Treuhand, joined the casualty lists somewhat unexpectedly in the summer. Because of difficulties of German property groups, the weakness of the letting market and the lack of prime property sites, very few new developments are currently being carried out.

While the letting market for prime retail premises has remained firm, the demand for new office space has not shown the same consistency. Certain towns still show a healthy demand for high quality space, particularly in Düsseldorf where a number of tenanta have been prepared to pay up to £8 per square foot a year to secure first class fully air-conditioned prestige offices.

This demand has been for the smaller floors of 1,500 square feet to 2,000 square feet, but some larger floor areas of up to 20,000 square feet. There is particularly high demand for offices in the area around Frankfurt, where the few being grossly over-occupied, have been letting well. In Hamburg there seems to be resistance from tenants to pay more than £4.50 a square foot, and most of the prestige air-conditioned high-quality properties still remain vacant even though the asking rents have been reduced from the original £9 per square foot asking levels. The only hope for the developers in Hamburg is that international companies, which insist on fully air-conditioned buildings, will come along and lease the vacant space.

Much the same situation is to be found in Munich; according to Weatheralls there are a number of prime buildings constructed over the past two years, but with less space now coming on to the market there is some improvement. There is a healthy demand in Munich for small suites of 1,000 to 2,000 square feet, particularly in such streets as Maximilian Strasse, and slightly higher rents of in excess of £6 a square foot are being paid for these small offices. There is also a choice of non-air-conditioned offices available, and there is some resistance from local tenants to pay for the privilege of being in an air-conditioned building. Frankfurt has a reputation of

being grossly over-occupied, this oversupply is concentrated in areas outside the city of itself. The Innenstadt of Frankfurt is a relatively small area, the lower part of the district around the Opernplatz and the streets running Hauptwache, which is the largely consists of the area, the lower part of the district around the Opernplatz and the streets running Hauptwache, which is the largely consists of the area, the lower part of the district around the Opernplatz and the streets running Hauptwache, which is the

### Retail

While the letting market for prime retail premises has remained firm, the demand for new office space has not shown the same consistency. Certain towns still show a healthy demand for high quality space, particularly in Düsseldorf where a number of tenanta have been prepared to pay up to £8 per square foot a year to secure first class fully air-conditioned prestige offices.

This demand has been for the smaller floors of 1,500 square feet to 2,000 square feet, but some larger floor areas of up to 20,000 square feet. There is particularly high demand for offices in the area around Frankfurt, where the few being grossly over-occupied, have been letting well. In Hamburg there seems to be resistance from tenants to pay more than £4.50 a square foot, and most of the prestige air-conditioned high-quality properties still remain vacant even though the asking rents have been reduced from the original £9 per square foot asking levels. The only hope for the developers in Hamburg is that international companies, which insist on fully air-conditioned buildings, will come along and lease the vacant space.

Much the same situation is to be found in Munich; according to Weatheralls there are a number of prime buildings constructed over the past two years, but with less space now coming on to the market there is some improvement. There is a healthy demand in Munich for small suites of 1,000 to 2,000 square feet, particularly in such streets as Maximilian Strasse, and slightly higher rents of in excess of £6 a square foot are being paid for these small offices. There is also a choice of non-air-conditioned offices available, and there is some resistance from local tenants to pay for the privilege of being in an air-conditioned building. Frankfurt has a reputation of

### FRANCE

Those who work in buildings owned by national companies better working conditions in the amount allotted to each employee are demanding more from French

Richard Coopman, chairman of London and Overseas Property Investment, says that the three principal differences lay in the British and French banking systems in the London and Paris stock exchanges, and in the attitudes of the British and French to investment.

Certainly one difference which developers came up against was the fact that in Paris, because of the practice of selling "flying freeholds" such as private flats in a building which had commercial use on lower floors, it was often virtually impossible to piece together a site for comprehensive redevelopment on the lines so often employed in London.

Because the Paris authorities were determined to retain the bulk of the 19th century architecture intact, but realised that there was a growing demand for new offices, it was decided in 1958 to create a new office area at La Defense, in the communes of Puteaux and Courbevoie to the west of the city.

La Defense is not in Paris, which ends at Forte Maillot, but it is in direct line from the Arc de Triomphe via Avenue Charles de Gaulle and Avenue de Neuilly, it is also less than five minutes from the centre of Paris by the new RER express metro, which also connects it to l'Opera and the financial district.

Rental levels for the western suburbs including La Defense are currently pitched between £5.30 and £6.40 (equivalent) a square foot compared with rents of £10 to £11.50 a square foot for small floor areas in the prime central areas of the 8th, 9th and 16th arrondissements. Larger offices can still be found in the central locations at around £8.90 a square foot. But these central area rentals reflect the lack of development and the growing shortage of offices, particularly in the 10,000 to 20,000 square foot range.

Outside the centre of Paris an over-supply situation still exists with almost 8m. square feet of space available, and with an annual take-up of only 2.6m. square feet it will be a long time before a proper supply and demand situation exists.

Rental levels vary between £3 and £4 a square foot for the north and eastern suburbs to £7.1 per sq. ft. in real terms. Economic growth brought with it significant changes in the structure of production and employment. In 1960 the primary sector represented 24 per cent. of the GDP and industry and services 76 per cent. By the end of 1975, the figures were 10 per cent. and 90 per cent. respectively. From the standpoint of employment, in 1960 42 per cent. of the workforce was employed in the primary sector, while by 1975 this figure had declined to 22 per cent.

Likewise per capita income increased from \$1,160 in 1960 to \$2,841 in 1975, thereby narrowing the gap between per capita income in the EEC

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### SPAIN

There is one important factor which may have very far-reaching effects on the Paris office letting market, and to some extent to the whole French property market: that is the growing desire by French office workers to have better working conditions and more space.

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### Desire

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### Revival of interest

There is one important factor which may have very far-reaching effects on the Paris office letting market, and to some extent to the whole French property market: that is the growing desire by French office workers to have better working conditions and more space.

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### Cautious

The first arrivals applied the same cautious approach used by prudent operators in the U.K. Among the early starters was Gerald Ronson's Heron Corporation, which carried out one of the most successful developments of any British operator overseas. It acquired a site in Rue de la Paix early in 1968 and the building was completed by the middle of 1971.

There was no difficulty in finding a tenant for the 44,000 sq. ft. of office space in the prestigious first arrondissement and the investment must be one of the best in the Heron portfolio. That first project was the start of a development programme for Heron in Paris which must have topped £30m. by the time of the downturn in the market.

Many of the early arrivals gained the impression in the late 1960s and early 1970s that virtually no commercial property industry existed and that the residential industry was in its infancy. But that was a complete misapprehension. There was indeed a thriving property industry, but for historic reasons it was very different from the industry

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EUROPEAN PROPERTY V

BELGIUM

Balance restored

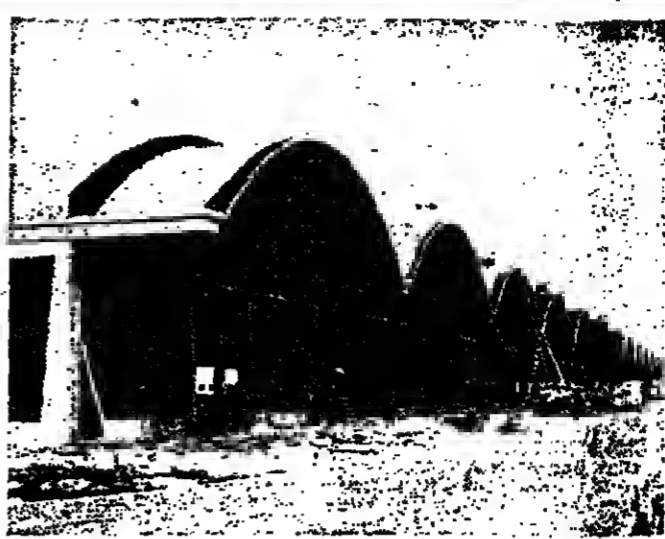
IGN INTERESTS, even in... with its special position... roads of Europe and... centre of EEC govern-... must always rank as the... ary influence on a... ly market. Much of the... ment in the country... r, in the last ten years... en tailored to these... interests. In top up local... there have always been... manufacturers to use... warehouses for distri-... in northern Europe... tional commercial... to use Brussels or... p offices as a European... arkers. In French... s to take an interest in... shopping schemes.

Jones Lang Wootton has reported that in the first six months of the year it disposed of 82,500 square metres, 11,000 square metres of it sold and the rest let, compared with disposals of 41,000 square metres in the same period last year. Richard Ellis reckons that before the summer holiday season something like 135,000 square metres of post-1965 office accommodation had, throughout Brussels, been let or sold in 1977, against 120,000 square metres in the whole of last year.

There has still been little effect of this increased demand on Brussels rents. Good air-conditioned space in the capital is still being leased at between the equivalent of £3 and £5 a square metre. At this level it is in some senses a bargain, with additional charges only averaging around £1.50 a square foot. The rental is half that for equivalent offices in central Paris or London, and only a third of what is passing in the financial centres of the two other cities.

Will the absence of new speculative schemes eventually mean that the massive oversupply of office property in Brussels will be taken up quickly, and how will values—the fall of which has bankrupted many—be affected? Jones Lang Wootton says that: "The Belgian market has for a long time been a classic illustration of the forces of supply and demand freely dictating values, as it has remained relatively untroubled by artificial influences such as government restrictions. The primary influence on value in recent times has been oversupply in virtually all aspects of the market. There is now, however, very definite evidence of an improving state of affairs."

However, in a strong market, a rising trend of rents will be fairly quickly passed on, and while Napoleonic Code lease structures can never offer the investment opportunity provided by British leases, there are several classes of investor now prepared to take a view on Brussels office rents having come to the end of their long decline in real money terms. A spate of important lettings recently has led to some forecasts of an actual shortage of some prime classes of space developing quite quickly. This seems unlikely, and the conclusion that stockbrokers Vickers da Costa came to on the Brussels market, that the end of the decade would probably see the turnaround, appears more likely.



A warehouse under construction at the port of Antwerp.

Richard Ellis has just let a substantial portion of the Boris development on Calle del General Sanjurjo to tenants which include Bank Occidental. The building which was completed some time ago contains some 125,000 square feet of first class offices.

There can be no doubt that of all British developments in Madrid none can compare in profitability with the Heron development on Paseo de la Castellana which was completed in May 1975 and was soon let. The building contains some 100,000 square feet of prime offices. The block was leased by Richard Ellis and the same agents are responsible for letting the Blackbird Properties building in Castellana. The developer, a subsidiary of Crel B.V., built some 32,000 square feet of air-conditioned space.

ressed

business climate, is still ed. Unemployment con- n be historically high, and eight per cent., is low last year's rate. g the new Government's s for the 1978 budget; s was directly influenced e regrouping of all VAT 16 per cent., meaning a cent increase in the tax le to large building agents' fees and d flat rents. Indirectly, s to support private in- , such as tax reliefs and ed depreciation, are produce an upturn. An report in the summer not.

The level of these rents contrast with building costs of £70 a square foot or more being quoted. It is probably this apparent lack of relation between costs and rents at present which has influenced the buoyant nature of the owner-occupier market. The sort of ratios involved are rents lying between B.Frs.1,500 and B.Frs.3,250 a square metre, building costs running between B.Frs.45,000 and B.Frs.70,000 a square metre, with good existing buildings being sold at a total of around B.Frs.35,000 to B.Frs.40,000 a square metre. The public sale of the Town and Commercial building to the Avenue Louise showed only B.Frs.29,000 a square metre, though the price reflected a liquidation sale and also took into account restoration costs.

Little new development, short of substantial pre-letting, has been contemplated with the promoter's margin squeezed, the older tower blocks have also suffered something of an exodus of tenants where before, the high money costs as the currency was defended through interest rate hikes. Nor, perhaps, are probably have continued to ex-

cause with a doubling of population in a 15-year period, over 50 per cent of the buildings have been constructed during that time. While this growth has been going on the historic planning policy has seen a controlled expansion of the city within clearly defined areas to avoid the ultimate outcome of an urban sprawl and ribbon development. Up to the time of the adoption of the current planning regulations, the emphasis was placed upon the development of an even spread of uses throughout the city with reason- ably rigid attention being paid to density. This planning policy has led to most of the com- mercial buildings in Madrid having frontages to the major

streets of the City with property within these natural boundaries being predominantly residential. It has also been customary for buildings to be of mixed use, with the ground floor being designated for retail purposes, the first and perhaps the second floors for office purposes and the rest given over to residential use. In 1972 the present planning regulations which give strict zoning of areas and a rigid policy of control towards non-conforming users. One of the effects of the 1972 policy was to curb the use of apartments for office use. Until a few years ago the average size of employees of commercial firms was low, the current average is, perhaps, around 15, and

can be made, given this sort of projected take-up of the Brussels boom, and the increasing present overhang of office space, indicate that a further two or three years should absorb much of the around 600,000 square metres vacant in the more central areas.

Investors, including local and Dutch insurance and pension groups, are looking to some balance of supply and demand being re-established over three years, and to a less hectic pace of development once building becomes possible again. This seems likely. It is hard to conceive that finance will again be

Potential

Among British interests with sites in Barcelona is Gerald Ronson's Heron Corporation, it owns a magnificent development site on Avenida Generalísimo in the centre of the town. It looks as though the economic situation is strong enough for Heron to start soon on the 250,000 sq. ft. project. Most property experts in Spain agree that there is tremendous growth potential in Barcelona and many think that in the long term there is more scope in Spain's second city than in the capital.

Rents are somewhat lower there than in Madrid although in the best locations really first class buildings will command rents in excess of 700 ptas per sq.m. per month (£5.70 per sq. ft. per annum). Although the average is probably below 600 ptas per sq.m. per month (£5 a sq.ft.).

Most property experts in Madrid believe that there is tremendous scope for British developers once more in the capital, and they claim that because of the stringent planning controls a situation exists very similar to that of Paris, where central area rents will soar because of the restrictions on further schemes. But it is likely that some of the developers will remember with regrets their flirtation with Spanish real estate, they may just prefer to concentrate on Real Madrid.

Rory Ferguson

SPAIN

CONTINUED FROM PREVIOUS PAGE

It was common for a large proportion of the apartments in the central area to be used solely as offices.

Locations

In its latest property report on the Spanish property market, agents Richard Ellis give precise details of the areas which are defined as office and commercial locations. The Tetuan and Chamartin area has become fully established as the most important office centre of Madrid. The area is bisected by the Avenida del Generalísimo, running in a southerly direction from the Plaza de Casilla and the new Chamartin Railway Station.

area are good and are to be improved by more metro facilities. To the West of Avenida del Generalísimo two large office concentrations have been developed. The Azca complex bounded by Generalísimo, Raimundo Fernandez Villaverde, Calle Orseno and General Peron is being developed over a period of several years when it is completed there will be around 2.5m. square feet each of residential, commercial and office accommodation. Most of the offices currently under construction are for owner occupation. To the north on either side of Capitan Haya, a large amount of offices has been built for speculative letting and

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'Last-ditch' campaign for 50-mile fishing zone

By RICHARD MOONEY... The U.K. fishing industry has launched a major campaign to support its demand for a 50-mile exclusive limit around Britain's shores.

£2bn. a year

Properly managed, however, the EEC fish pond could yield 3m. tonnes of fish a year...

Surplus

The export quota would account for around 600,000 tonnes of the surplus...

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Copper stocks near record

By John Edwards... COPPER PRICES fell back on the London Metal Exchange yesterday...

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ASIAN AGRICULTURE Stagnation of the green revolution

By KEVIN RAFFERTY... THE GREEN revolution, the great hope for supplying the peasant's farm...

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MODITY MARKET REPORTS AND PRICES

Table with columns for METALS, COFFEE, RUBBER, MEAT/VEGETABLES, SOYABEAN MEAL, GRAINS, WHEAT, BARLEY, SUGAR, WOOL FUTURES. Includes prices and changes.

PRICE CHANGES

Table showing price changes for various commodities like metals, grains, and oils.

U.S. Markets

Table showing market data for the U.S., including prices for various goods.

FINANCIAL TIMES

Table with financial data, including stock prices and indices.

REUTERS

Table with financial data, including stock prices and indices.

Britain, Italy 'agree on price cuts'

By PAUL BETTS... MR. JOHN SILKIN, Agriculture and Fisheries Minister, indicated today that there was agreement between the U.K. and the Italian authorities to reduce EEC cereal and dairy prices.

limited 10-15% drop

in the third... year. The price...

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CONCERTS

ST. PAUL'S CATHEDRAL... CELEBRITY RECITALS TO MARK THE REBUILDING OF THE ORGAN...

STOCK EXCHANGE REPORT

Currency hedge support gives another boost to Golds Gilts and equities dull with share index down 0.9 at 499.1

Account Dealing Dates
Option
First Declared Last Account Dealing Date
Oct. 13 Oct. 13 Oct. 25

South African Gold shares
yesterday provided the one main area of Stock Markets in which firm conditions reigned, currency hedge support...

Potential buyers in the Stock Market's other major sectors stayed on the sidelines, unwilling to enter into fresh commitments in view of the uncertainty...

Quotations in the Funds closed only 1/8 above the day's lowest and with falls to about 1 1/2. The Government Securities Index shed 1/16 to 76.43. The firm start in equities led to a rise of 1 1/8 in the FT 20-share index at 10.11, but a sharp turnaround of nearly nine points was seen in the noon calculation which recorded a net fall of 7 1/2 before the rally left the close only 1/8 off the day's high of 499.1.

Gilts quietly dull
With market sentiment becoming increasingly concerned about the future level of wage settlements, British Funds were looking rather apprehensively pending the full outcome of the Ford workers' vote on the company's pay offer, which is expected shortly. Lack of fresh support and scattered selling after last Friday's recovery made the FT 20-share index with falls ranging to 1 1/2 at one stage, but ends...

that the first of the Ford plants had voted overwhelmingly in favour of the company's offer...
interim figures, Lafarge Organisation turned easier on the profits standstill to finish a set 2 down on closing at 86p.

Mothercare down
Mothercare were a notable casualty among Stores, falling to 180p before closing 10 down on the day at 180p, following disappointment with the first-half results which were at the lower...

end of market estimates. Marks and Spencer shed 3 1/2 to 185p in front of today's interim figures; market estimates range from 140m to 150m. W. H. Smith A shed 10 to 75p in a thin market and Gussies A were off at 214p. Elsewhere, Time Products were a shade lower at 111p following the half-yearly results, but British Home closed a penny dearer at 217p; the interim results are due tomorrow.

Thursday's share index fell 0.9 to 499.1. The FT 20-share index fell 7 1/2 to 10.11. The Government Securities Index shed 1/16 to 76.43. The firm start in equities led to a rise of 1 1/8 in the FT 20-share index at 10.11, but a sharp turnaround of nearly nine points was seen in the noon calculation which recorded a net fall of 7 1/2 before the rally left the close only 1/8 off the day's high of 499.1.

After a reasonably good two-way trade in the morning session, Oils became almost becalmed and the leaders struggled to regain ground. The day's trading was eventually helped by the surrounding better tone. Both British Petroleum, 83 1/2, and Shell, 57 1/2, managed to retrieve initial losses. Royal Dutch, helped by the rising price of oil, was a penny better at 42 1/2. Elsewhere, Siebens (U.K.), 26 1/2, and L&M Ordinary, 26 1/2, gave up 1/2 each, while Tricent, 17 1/2, eased 2.

Investment Trusts made another rather drab showing, ending almost on small selling and lack of support. Following their respective scrip issues, Colcoltan and United were steady at 61p, but Unilever British Securities shed 2 to 177p. In Financials, Dairy Day edged forward 2 to 23p awaiting tomorrow's results and West of England Trust improved 1 1/2 to 34 1/2p following Press comment.

Hamro Life featured with a jump of 20 to 273p in response to the increased interim dividend and accompanying statement. Other Life issues closed firmer for choice with a couple of points higher. The 10p ahead of tomorrow's preliminary results. Elsewhere, Composite Insurances remained uncertain following fairly extensive Press coverage over the week-end about certain aviation underwriting losses. Royale ended 10 off at 44p and Sun Alliance 6 lower at 61p.

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After a reasonably good two-way trade in the morning session, Oils became almost becalmed and the leaders struggled to regain ground. The day's trading was eventually helped by the surrounding better tone. Both British Petroleum, 83 1/2, and Shell, 57 1/2, managed to retrieve initial losses. Royal Dutch, helped by the rising price of oil, was a penny better at 42 1/2. Elsewhere, Siebens (U.K.), 26 1/2, and L&M Ordinary, 26 1/2, gave up 1/2 each, while Tricent, 17 1/2, eased 2.

Investment Trusts made another rather drab showing, ending almost on small selling and lack of support. Following their respective scrip issues, Colcoltan and United were steady at 61p, but Unilever British Securities shed 2 to 177p. In Financials, Dairy Day edged forward 2 to 23p awaiting tomorrow's results and West of England Trust improved 1 1/2 to 34 1/2p following Press comment.

Hamro Life featured with a jump of 20 to 273p in response to the increased interim dividend and accompanying statement. Other Life issues closed firmer for choice with a couple of points higher. The 10p ahead of tomorrow's preliminary results. Elsewhere, Composite Insurances remained uncertain following fairly extensive Press coverage over the week-end about certain aviation underwriting losses. Royale ended 10 off at 44p and Sun Alliance 6 lower at 61p.

FINANCIAL TIMES STOCK INDICES
Table with columns for various indices: Government Secs, Fund Interest, Industrial Ordinary, Gold Mines, etc.

HIGHS AND LOWS S.E. ACTIVE
Table with columns for High, Low, and S.E. Active for various sectors like Govt. Secs, Fixed Int., Ind. Ord., Gold Mines.

DEALING DATES
Table with columns for Deal, Last, Declared, Settling Date, etc.

NEW HIGHS AND LOWS FOR 1977
Table with columns for High, Low, and various stock categories.

RISES AND FALLS YESTERDAY
Table with columns for Rise, Fall, and various stock categories.

ENTERTAINMENT GUIDE

Opera and Ballet
Coliseum
English National Opera
Theatres
Garrick Theatre
Piccadilly Theatre
Royal Opera House
Various other theatre listings with showtimes and ticket prices.

RECENT ISSUES

Table of recent issues with columns for Issue Price, Latest Price, etc. Includes sections for EQUITIES, FIXED INTEREST STOCKS, and RIGHTS OFFERS.

FT-ACTUARIES SHARE INDEX

Table of FT-Actuaries Share Index with columns for Index No., Day's Change, etc. Includes sections for EQUITY GROUPS, FIXED INTEREST PRICE INDICES, and ACTIVE STOCKS.



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AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs. Ltd., Hied. Hambro Group, and others, including their respective managers and investment details.

Table listing unit trusts including Crown Shipley & Co. Ltd., Guardian Royal Ex. Unit Mgrs. Ltd., and others.

Table listing unit trusts such as Henderson Administration, Provincial Life Inv. Co. Ltd., and others.

Table listing unit trusts including Reliance Unit Mgrs. Ltd., Ridgefield Management Ltd., and others.

Table listing unit trusts such as Ridelphid & Lenda, Royal Tr. Mgrs. Ltd., and others.

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Hill Samuel & Co. Limited advertisement featuring the 'Hill Samuel Base Rate' and a detailed announcement regarding interest rates and deposit schemes.

INSURANCE, PROPERTY, BONDS

Large table listing various insurance, property, and bond products, including company names, policy details, and contact information.

CLAVE INVESTMENTS LIMITED advertisement with contact details and a list of investment products.

INSURANCE BASE RATES advertisement listing rates for various insurance types.



INDUSTRIALS—Continued

Table of industrial stock prices including companies like Anglo-Siam, Anglo-Tex, Anglo-Food, Anglo-Ind, Anglo-Pharm, Anglo-Text, Anglo-Petrol, Anglo-Steel, Anglo-Cement, Anglo-Ship, Anglo-Transport, Anglo-Insurance, Anglo-Banking, Anglo-Utilities, Anglo-Telecom, Anglo-Engineering, Anglo-Mining, Anglo-Agriculture, Anglo-Real Estate, Anglo-Other.

INSURANCE—Continued

Table of insurance stock prices including companies like Anglo-Indemnity, Anglo-Insurance, Anglo-Underwriting, Anglo-Risk, Anglo-Claims, Anglo-Premium, Anglo-Reserve, Anglo-Assets, Anglo-Liability, Anglo-Compliance, Anglo-Regulation, Anglo-Consumer Protection, Anglo-Insurance Reform, Anglo-Insurance Innovation, Anglo-Insurance Expansion, Anglo-Insurance Diversification, Anglo-Insurance Modernization, Anglo-Insurance Globalization, Anglo-Insurance Digitalization, Anglo-Insurance Automation, Anglo-Insurance Optimization, Anglo-Insurance Personalization, Anglo-Insurance Customization, Anglo-Insurance Flexibility, Anglo-Insurance Scalability, Anglo-Insurance Reliability, Anglo-Insurance Security, Anglo-Insurance Integrity, Anglo-Insurance Transparency, Anglo-Insurance Accountability, Anglo-Insurance Responsibility, Anglo-Insurance Sustainability, Anglo-Insurance Resilience, Anglo-Insurance Adaptability, Anglo-Insurance Agility, Anglo-Insurance Innovation, Anglo-Insurance Leadership, Anglo-Insurance Excellence, Anglo-Insurance Quality, Anglo-Insurance Performance, Anglo-Insurance Growth, Anglo-Insurance Profitability, Anglo-Insurance Stability, Anglo-Insurance Longevity, Anglo-Insurance Reputation, Anglo-Insurance Trust, Anglo-Insurance Loyalty, Anglo-Insurance Customer Satisfaction, Anglo-Insurance Employee Satisfaction, Anglo-Insurance Shareholder Satisfaction, Anglo-Insurance Stakeholder Satisfaction, Anglo-Insurance Community Impact, Anglo-Insurance Environmental Impact, Anglo-Insurance Social Impact, Anglo-Insurance Economic Impact, Anglo-Insurance Cultural Impact, Anglo-Insurance Technological Impact, Anglo-Insurance Regulatory Impact, Anglo-Insurance Market Impact, Anglo-Insurance Industry Impact, Anglo-Insurance Global Impact, Anglo-Insurance Future Outlook, Anglo-Insurance Challenges, Anglo-Insurance Opportunities, Anglo-Insurance Risks, Anglo-Insurance Mitigation, Anglo-Insurance Resilience, Anglo-Insurance Adaptability, Anglo-Insurance Agility, Anglo-Insurance Innovation, Anglo-Insurance Leadership, Anglo-Insurance Excellence, Anglo-Insurance Quality, Anglo-Insurance Performance, Anglo-Insurance Growth, Anglo-Insurance Profitability, Anglo-Insurance Stability, Anglo-Insurance Longevity, Anglo-Insurance Reputation, Anglo-Insurance Trust, Anglo-Insurance Loyalty, Anglo-Insurance Customer Satisfaction, Anglo-Insurance Employee Satisfaction, Anglo-Insurance Shareholder Satisfaction, Anglo-Insurance Stakeholder Satisfaction, Anglo-Insurance Community Impact, Anglo-Insurance Environmental Impact, Anglo-Insurance Social Impact, Anglo-Insurance Economic Impact, Anglo-Insurance Cultural Impact, Anglo-Insurance Technological Impact, Anglo-Insurance Regulatory Impact, Anglo-Insurance Market Impact, Anglo-Insurance Industry Impact, Anglo-Insurance Global Impact.

PROPERTY—Continued

Table of property stock prices including companies like Anglo-Property, Anglo-Real Estate, Anglo-Development, Anglo-Construction, Anglo-Infrastructure, Anglo-Utilities, Anglo-Transport, Anglo-Telecom, Anglo-Engineering, Anglo-Mining, Anglo-Agriculture, Anglo-Other.

INV. TRUSTS—Continued

Table of investment trusts including companies like Anglo-Trust, Anglo-Fund, Anglo-Asset, Anglo-Portfolio, Anglo-Strategy, Anglo-Objective, Anglo-Risk, Anglo-Return, Anglo-Performance, Anglo-Track Record, Anglo-Management, Anglo-Investment, Anglo-Research, Anglo-Analysis, Anglo-Evaluation, Anglo-Selection, Anglo-Execution, Anglo-Monitoring, Anglo-Reporting, Anglo-Communication, Anglo-Transparency, Anglo-Integrity, Anglo-Reliability, Anglo-Security, Anglo-Longevity, Anglo-Resilience, Anglo-Adaptability, Anglo-Agility, Anglo-Innovation, Anglo-Leadership, Anglo-Excellence, Anglo-Quality, Anglo-Performance, Anglo-Growth, Anglo-Profitability, Anglo-Stability, Anglo-Longevity, Anglo-Reputation, Anglo-Trust, Anglo-Loyalty, Anglo-Customer Satisfaction, Anglo-Employee Satisfaction, Anglo-Shareholder Satisfaction, Anglo-Stakeholder Satisfaction, Anglo-Community Impact, Anglo-Environmental Impact, Anglo-Social Impact, Anglo-Economic Impact, Anglo-Cultural Impact, Anglo-Technological Impact, Anglo-Regulatory Impact, Anglo-Market Impact, Anglo-Industry Impact, Anglo-Global Impact.

FINANCE, LAND—Continued

Table of finance and land stock prices including companies like Anglo-Finance, Anglo-Banking, Anglo-Insurance, Anglo-Real Estate, Anglo-Development, Anglo-Construction, Anglo-Infrastructure, Anglo-Utilities, Anglo-Transport, Anglo-Telecom, Anglo-Engineering, Anglo-Mining, Anglo-Agriculture, Anglo-Other.

YASUDA TRUST AND BANKING logo and name.

MOTORS, AIRCRAFT TRADES

Table of motors and aircraft trades including companies like Anglo-Motors, Anglo-Aircraft, Anglo-Transport, Anglo-Engineering, Anglo-Other.

SHIPBUILDERS, REPAIRERS

Table of shipbuilders and repairers including companies like Anglo-Shipbuilding, Anglo-Repair, Anglo-Transport, Anglo-Engineering, Anglo-Other.

SHIPPING

Table of shipping companies including Anglo-Shipping, Anglo-Transport, Anglo-Engineering, Anglo-Other.

OVERSEAS TRADERS

Table of overseas traders including Anglo-Trade, Anglo-Export, Anglo-Import, Anglo-Wholesale, Anglo-Retail, Anglo-Other.

MINES—Continued

Table of mine stock prices including Anglo-Mining, Anglo-Resources, Anglo-Exploration, Anglo-Production, Anglo-Processing, Anglo-Transport, Anglo-Other.

COMPONENTS

Table of components including Anglo-Parts, Anglo-Accessories, Anglo-Tools, Anglo-Equipment, Anglo-Other.

SHOES AND LEATHER

Table of shoes and leather including Anglo-Shoes, Anglo-Leather, Anglo-Textiles, Anglo-Other.

SOUTH AFRICANS

Table of South African stock prices including Anglo-South Africa, Anglo-Resources, Anglo-Exploration, Anglo-Production, Anglo-Processing, Anglo-Transport, Anglo-Other.

RUBBERS AND SISALS

Table of rubbers and sisals including Anglo-Rubbers, Anglo-Sisals, Anglo-Plantations, Anglo-Processing, Anglo-Transport, Anglo-Other.

TINS

Table of tins including Anglo-Tins, Anglo-Containers, Anglo-Packaging, Anglo-Other.

NEWSPAPERS, PUBLISHERS

Table of newspapers and publishers including Anglo-Media, Anglo-Press, Anglo-Advertising, Anglo-Other.

TEXTILES

Table of textiles including Anglo-Textiles, Anglo-Fabrics, Anglo-Apparel, Anglo-Other.

TEAS

Table of teas including Anglo-Teas, Anglo-Plantations, Anglo-Processing, Anglo-Export, Anglo-Import, Anglo-Other.

INDIA AND BANGLADESH

Table of India and Bangladesh stock prices including Anglo-India, Anglo-Bangladesh, Anglo-Resources, Anglo-Exploration, Anglo-Production, Anglo-Processing, Anglo-Transport, Anglo-Other.

MISCELLANEOUS

Table of miscellaneous stock prices including Anglo-Miscellaneous, Anglo-Other.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising including Anglo-Paper, Anglo-Printing, Anglo-Advertising, Anglo-Other.

PROPERTY

Table of property stock prices including Anglo-Property, Anglo-Real Estate, Anglo-Development, Anglo-Construction, Anglo-Infrastructure, Anglo-Utilities, Anglo-Transport, Anglo-Telecom, Anglo-Engineering, Anglo-Mining, Anglo-Agriculture, Anglo-Other.

AFRICA

Table of African stock prices including Anglo-Africa, Anglo-Resources, Anglo-Exploration, Anglo-Production, Anglo-Processing, Anglo-Transport, Anglo-Other.

MINES

Table of mine stock prices including Anglo-Mining, Anglo-Resources, Anglo-Exploration, Anglo-Production, Anglo-Processing, Anglo-Transport, Anglo-Other.

NOTES

Notes section containing various financial notes and disclosures.

PROPERTY

Table of property stock prices including Anglo-Property, Anglo-Real Estate, Anglo-Development, Anglo-Construction, Anglo-Infrastructure, Anglo-Utilities, Anglo-Transport, Anglo-Telecom, Anglo-Engineering, Anglo-Mining, Anglo-Agriculture, Anglo-Other.

TOBACCO

Table of tobacco stock prices including Anglo-Tobacco, Anglo-Plantations, Anglo-Processing, Anglo-Export, Anglo-Import, Anglo-Other.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices including Anglo-Trusts, Anglo-Finance, Anglo-Land, Anglo-Other.

EASTERN RAND

Table of Eastern Rand stock prices including Anglo-Eastern Rand, Anglo-Resources, Anglo-Exploration, Anglo-Production, Anglo-Processing, Anglo-Transport, Anglo-Other.

FAR WEST RAND

Table of Far West Rand stock prices including Anglo-Far West Rand, Anglo-Resources, Anglo-Exploration, Anglo-Production, Anglo-Processing, Anglo-Transport, Anglo-Other.

INSURANCE

Table of insurance stock prices including Anglo-Insurance, Anglo-Underwriting, Anglo-Risk, Anglo-Claims, Anglo-Premium, Anglo-Reserve, Anglo-Assets, Anglo-Liability, Anglo-Compliance, Anglo-Regulation, Anglo-Consumer Protection, Anglo-Insurance Reform, Anglo-Insurance Innovation, Anglo-Insurance Expansion, Anglo-Insurance Diversification, Anglo-Insurance Modernization, Anglo-Insurance Globalization, Anglo-Insurance Digitalization, Anglo-Insurance Automation, Anglo-Insurance Optimization, Anglo-Insurance Personalization, Anglo-Insurance Customization, Anglo-Insurance Flexibility, Anglo-Insurance Scalability, Anglo-Insurance Reliability, Anglo-Insurance Security, Anglo-Insurance Integrity, Anglo-Insurance Responsibility, Anglo-Insurance Sustainability, Anglo-Insurance Resilience, Anglo-Insurance Adaptability, Anglo-Insurance Agility, Anglo-Insurance Innovation, Anglo-Insurance Leadership, Anglo-Insurance Excellence, Anglo-Insurance Quality, Anglo-Insurance Performance, Anglo-Insurance Growth, Anglo-Insurance Profitability, Anglo-Insurance Stability, Anglo-Insurance Longevity, Anglo-Insurance Reputation, Anglo-Insurance Trust, Anglo-Insurance Loyalty, Anglo-Insurance Customer Satisfaction, Anglo-Insurance Employee Satisfaction, Anglo-Insurance Shareholder Satisfaction, Anglo-Insurance Stakeholder Satisfaction, Anglo-Insurance Community Impact, Anglo-Insurance Environmental Impact, Anglo-Insurance Social Impact, Anglo-Insurance Economic Impact, Anglo-Insurance Cultural Impact, Anglo-Insurance Technological Impact, Anglo-Insurance Regulatory Impact, Anglo-Insurance Market Impact, Anglo-Insurance Industry Impact, Anglo-Insurance Global Impact.

FINANCE, LAND, ETC.

Table of finance, land, and other stock prices including Anglo-Finance, Anglo-Land, Anglo-Other.

DIAMOND AND PLATINUM

Table of diamond and platinum stock prices including Anglo-Diamonds, Anglo-Platinum, Anglo-Mining, Anglo-Processing, Anglo-Export, Anglo-Import, Anglo-Other.

OPTIONS

Table of options including Anglo-Options, Anglo-Contracts, Anglo-Trading, Anglo-Other.

REGIONAL MARKETS

Table of regional markets including Anglo-Regional, Anglo-Markets, Anglo-Indices, Anglo-Other.

RENICO National Trailer Rentals and Contract Hire

LINER PLANT USED WORLD-WIDE

Ministers pledge 4% EEC growth

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

IN AN ATTEMPT to avert a new economic slowdown, EEC Finance Ministers pledged today to take action necessary to ensure that the Nine's total gross domestic product grows by at least 4 to 4.5 per cent in real terms next year.

Australia 'prepared to use armed forces for uranium exports'

BY KENNETH RANDALL CANBERRA, Oct. 17.

MR. TOM UREN, deputy leader of the opposition, said today that he had "fairly reliable information" that the Government was prepared to use the armed forces, possibly as a naval ship—a tactic that was used during the Vietnam war to get around similar protest movements and black bans.

U.S. hopes for Mothercare

THE LEX COLUMN

Mothercare's interim figures show pre-tax profits up 26 per cent from \$5.1m to \$6.4m. But this was less than the market had been expecting and the shares dipped 16p at one point, before rallying to close 10p down at 180p.

Index fell 0.9 to 499.1



annual premiums brought in \$5.5m. In addition, higher productivity is apparently improving the export trade.

Pilkington to go ahead with £70m. factory

BY DAVID FREUD, INDUSTRIAL STAFF

PILKINGTON BROTHERS, the glass manufacturer, yesterday announced the go-ahead for a £70m. new plant project which it had abandoned three years ago because of economic uncertainty and "until such time as essential changes in taxation and price control are made."

Confirmation

While there has been no official confirmation of the plans, the Government has widely accepted as fact among Government MPs, many of whom have been attending, along with senior Ministers, the annual meeting of the Liberal Party Federal Council during the past three days.

Demonstrations

He also warned against the possible placing of agents provocateurs in the ranks of the protesters and commended the procedures that had been adopted in the mass demonstrations during Australia's Vietnam war involvement—a parallel not being drawn more and more often on both sides of the uranium argument.

World sea forum points to shipyard over-capacity

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

BETWEEN \$50bn. (£25bn.) and \$85bn. (£35bn.) of Government funds is likely to be committed to sustaining over-capacity in the world shipbuilding industry between 1978 and 1983, said a report yesterday from the International Maritime Industry Forum.

Settlement of offset costs issue expected

BY ADRIAN DICKS

THE INFORMAL summit talks between Mr. James Callaghan and Herr Helmut Schmidt, West German Chancellor, due to take place in Bonn tomorrow, are expected to provide an occasion for announcing settlement of the long-running offset costs issue, as well as for top-level efforts to break the Anglo-German stalemate in several areas of European Community policy.

Concorde for New York

Continued from Page 1

Mr. Gordon Davidson, BA's Concorde director, said that when the airlines now had to do was to convince the Government of New York, as well as the people, hours 45 minutes flying.

Weather

Table with weather forecasts for U.K. TO-DAY, Cent. Highlands, Moray Firth, N.E. Scotland, Orkney, Shetland, Channel Is., S.W. England, S. Wales, N. Wales, Isle of Man, S.W. and N.W. Scotland, Glasgow, Argyll, N. Ireland.

BUSINESS CENTRES

Table with business centre forecasts for Amsterdam, Athens, Bahrain, Barcelona, Beirut, Bombay, Brasilia, Bucharest, Budapest, Cairo, Cardiff, Cologne, Copenhagen, Dublin, Edinburgh, Frankfurt, Geneva, Glasgow, Helsinki, Hong Kong, Lisbon, London.

COUNTDOWN TO THE DECISION

FEBRUARY 4, 1976: Mr. William Coleman, Secretary of Transport, said that Concorde should be allowed 16-month trial period into New York and Washington.

The new Grundig Stenorette 201 It leaves other dictation machines lost for words.



The 2010 is slimmer than many of its competitors, so it fits neatly into your pocket, without spoiling the line of your suit. It has a fast forward reverse button that allows you to cover minutes in seconds with the flick of a finger.

Handwritten signature or mark at the bottom of the page.